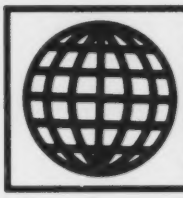

Daily Report

Latin America

FBIS-LAT-94-230
Wednesday
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Daily Report
Latin America

FBIS-LAT-94-230 *30 November 1994*

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Mercosur, EU To Discuss Free Trade in Jan

PY2911221594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2307 GMT 28 Nov 94

[FBIS Translated Text] Buenos Aires, 28 Nov (NA)—The EU and Mercosur [Common Market of the South] will begin to negotiate a framework agreement in January 1995 with a view to establishing a free trade zone between the two blocs.

This announcement was made this afternoon by Foreign Minister Guido Di Tella, who commented on the central aspects of the resolution the EU Council of Ministers adopted on 28 November, formally establishing negotiations with Mercosur.

Di Tella asserted that these negotiations will include aspects pertaining to agricultural and industrial production, two of the key issues in commercial relations between the blocs.

Argentina is determined that farm subsidies should be included in the negotiations. Di Tella informed EU President Jacques Delors of this during a meeting in Brussels on 24 November.

During a news conference—at which Commercial Relations Under Secretary Jorge Campbell and Diego Guelar, the Argentine representative before the EU, were also present—the foreign minister stated that the agreement "does not preclude the idea of negotiating at some time with NAFTA."

Negotiations with the EU comprise a first stage—between January 1995 and the middle of 1995—during which a framework agreement will be defined, and a second stage in which negotiations on the establishment of a free trade zone will be undertaken.

Asked if the start of negotiations with the EU might constitute an attraction for other Latin American countries interested in the progress of Mercosur, Di Tella replied jokingly: "The bride will certainly look prettier."

He added: "The better inserted we are in the world the greater interest we will arouse in the region," while underscoring the advantages of free trade at a world level.

The foreign minister especially emphasized the need to eliminate the farm subsidies applied by European countries, saying: "They irritate those who have to endure them and they irritate the treasury of the country that applies them."

He acknowledged that the issue of subsidies will be one of the most complicated aspects in the negotiations with the EU. Yet he is confident "they will realize that subsidies cause a lot of damage to them since they must allocate funds to finance the production of a minority sector."

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Cuba

Robaina Continues Official Visit to Mexico

Denounces 'Cruel' Proposition 187

PA3011011394 Havana PRENSA LATINA in Spanish 1054 GMT 29 Nov 94

[FBIS Translated Excerpt] Mexico City, 29 Nov (PL)—Cuban Foreign Minister Roberto Robaina said today people must not allow the enforcement of such racist laws as the so-called Proposition 187, which was adopted in California and denies illegal aliens' access to public services.

Robaina assessed during the second day of the visit the Cuban delegation is making to Mexico as a preview to Ernesto Zedillo's inaugural that this law is the most discriminatory, unfair, cruel, antipolitical, and antidemocratic policy that could be presented to the world.

Robaina said in statements to a group of Cuban journalists attending the Mexican change of power that the approval of such a law in a country self-described as an advocate of human rights does not make sense.

The Cuban foreign minister stressed that Mexicans are enduring what Cubans have endured for years due to a U.S. discriminatory policy, which is the result of prepotency.

We fully support the Mexican position, because the U.S. law deserves to be completely rejected by humanity.

Questioned on the current ties between the island and the United States following the recent resumption of telephonic services between the two countries, Robaina deemed the move as beneficial for both parties.

The Cuban official said there are many other aspects, including telecommunications, on which to reach agreements, as was the case with the migration issue.

Robaina flatly refused to consider the resumption of telephone services as the "good side" of the so-called Torricelli bill, which was designed to intensify the blockade on Cuba. He said this law allows the possibility of improving bilateral relations to allegedly have a negative influence on the revolutionary process through an increase in the number of contacts.

The Torricelli bill, he said, has no good side for us Cubans.

Foreign Minister Robaina arrived in Mexico yesterday and was received by Mexican Foreign Relations Secretary Manuel Tello, with whom he met privately for more than two hours shortly after his arrival.

Robaina said the upcoming Miami summit, which was convened by Washington for most countries in the hemisphere, except Cuba, was among the issues discussed at the meeting. The two parties agreed Cuba should not have been excluded from the summit.

He said: Mexico, as well as many other Latin American countries, is seriously concerned about this summit, because it has a more undefined agenda as time elapses, because it will be held at an inconvenient time and due to other reasons.

'Surprised' by Venezuela Admitting Rafters

PA3011024094 Havana PRENSA LATINA in Spanish 1708 GMT 29 Nov 94

[FBIS Translated Text] Mexico, 29 Nov (PL)—Cuban Foreign Minister Roberto Robaina said today Cuban officials were surprised by the Venezuelan Government's decision to allow 100 Cuban rafters presently confined in the Guantanamo base to enter Venezuela.

Questioned on this issue by a group of reporters covering Ernesto Zedillo's inauguration, Robaina replied: Anyhow, it is important to have all the details of the proposal (made known today) to study it in greater detail.

The Cuban foreign minister arrived here yesterday to attend the Mexican presidential inauguration.

Robaina said his government supports decisions such as the ones made by Mexico and Costa Rica admitting individuals who have family ties with residents in those countries to find a solution to the present conflict, the so-called rafter's crisis, which was provoked by the United States' encouragement during the recent exodus.

Robaina concluded by saying: "We propose that any person's departure to the United States in which another country is used as a springboard should not be carried out unilaterally, because there are agreements between the United States Cuba wants to respect.

I believe any country offering to help find a solution should do so within the framework of the agreements signed between Cuba and the United States in New York and ratified later in Havana, Robaina said.

We respect the willingness expressed by various countries to accept people who have family ties in their territories but without numbers, because no one can determine beforehand the exact number, Robaina added. Cuba has never been concerned with numbers but, rather, with politics, and people often mention numbers to get out of a difficult situation, Robaina said.

Robaina believes we should first ask the potential immigrants what their interests are above all other things, because an overwhelming majority has no desire to travel to Venezuela. In Robaina's judgment, there is no difference between keeping 3,000 Cubans in a concentration camp on the Guantanamo base and keeping 2,900 there and another 100 in Venezuela.

Announces Mideast Tour

FL2911225894 Havana Radio Rebelde Network in Spanish 1800 GMT 29 Nov 94

[From the "National Radio News"]

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[FBIS Translated Excerpt] [passage omitted] Robaina announced that he would conduct a tour through several Arab countries upon his return from Mexico. The Middle Eastern nations that Robaina will be visiting are: Algeria, Libya, Tunisia, Syria, Jordan, and Iran will be the Middle East nations that Robaina will be visiting. The tour will conclude on 26 December.

Meets With Mexican Counterpart

FL3011001494 Havana Radio Reloj Network in Spanish 2032 GMT 29 Nov 94

[FBIS Translated Text] In Mexico City, Cuban and Mexican Foreign Ministers Roberto Robaina and Manuel Tello, respectively, have met to evaluate the current and future state of relations between Cuba and Mexico. Tello's gesture—holding this meeting when next Thursday [1 December] when he will be leaving office—is understood by Robaina to be an irrefutable sign of high-level bilateral relations.

In statements to Cuban reporters who will cover the swearing-in ceremony, Robaina said that there is no reason for that policy to change when Ernesto Zedillo takes office in 48 hours. Robaina stated that notwithstanding the reserves that the Free Trade Agreement has created, it has not affected Mexico's relations with Cuba.

Robaina stated that Mexico today has assumed a diplomatic policy that involves trying to understand each country's problems, and that most of these problems are now economic. Robaina pointed out that Cuba offers attractive options for foreign investments and that Mexico's huge business community is showing increased interest in participating in diverse areas of Cuba's economic sectors. Robaina, who is scheduled to begin an extensive tour of Arab countries, beginning with Algeria, stated that Proposition 187—approved in California, against immigrant workers—is cruel and antidemocratic.

Robaina, invited to take part in Zedillo's swearing-in ceremony, arrived in Mexico on 28 November.

Paper Assails U.S. Convening of Miami Summit

PA2911130994 Havana Radio Havana Cuba in Spanish 0000 GMT 29 Nov 94

[From the "Evening Information Review" newscast]

[FBIS Translated Text] The Cuban newspaper TRABAJADORES denounced today the Monroist motives of the United States in calling the hemispheric summit of Miami. It notes that that meeting can seal Latin American unity, but it can also break it.

The newspaper states that Washington convened that summit as a means of countering and annulling the outcome of the Ibero-American summit held in Mexico City in 1991, without the participation of the White House.

Another of the purposes of the United States, TRABAJADORES adds, is to establish a closed system in the hemisphere to try to neutralize the competition of Japan and the European Union. In other words, it seeks to maintain the region as a trade escape valve for the U.S. economy.

Article Examines U.S. National Security

PA3011011494 Havana PRENSA LATINA in Spanish 1044 GMT 28 Nov 94

[Article by PRENSA LATINA contributor Nestor Garcia: "National Security 'Made in the USA'"]

[FBIS Translated Text] The concept of national security comprises those concerns a particular country takes into account when striving to guarantee peace and stability within its borders: the smooth running of its economy and the protection of its citizens, material goods, soil, subsoil, mineral resources, rivers, lakes, territorial seas, and airspace.

In countries whose borders are well-defined, national security is also well-defined. Normally, things that pose dangers to nations comprise border conflicts, disputes related to the extension of territorial waters, violations of airspace, or the meddling of one country in the internal affairs of another.

Up to this point, everything is clear and in line with the concepts accepted by the international community. The defense of one nation's national security must not present a risk to another nation or to the normal relations between neighboring nations, and this strengthens international peace and security.

Nevertheless, when a country acts solely in accordance with its own economic interests; implements a policy of exploitation and extortion; claims to be the policeman of the world; argues that its borders extend to the remotest corners of the planet where its citizens have invested money, or where they might be interested in investing in the future; when such a nation feels it possesses all justice and is predestined to implant in other nations a regime to its liking—regardless of the wishes and interests of a given country—then we are facing a different concept of national security, a national security "Made in the USA."

On 25 January, during his State of the Union address, U.S. President Bill Clinton, speaking before a joint session of Congress, adequately portrayed the various aspects of the U.S. concept of national security.

On that occasion, Clinton spoke of the dangers still existing in the world, citing the proliferation of weapons, regional conflicts, ethnic and nationalist tensions, environmental problems, and so on, and he stressed that because the United States is the world's largest power, it should maintain its defense and responsibilities, thereby making very clear his intention of intervening in any of a number of situations.

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Of course he did not fail to mention nuclear weapons. In this regard, he recalled as a great success the agreements signed with the Ukraine, Belarus, and Kazakhstan to completely eliminate nuclear arsenals in those countries, while in the United States the arsenal will be reduced, not eliminated. He reaffirmed that the U.S. Armed Forces are the cornerstone of U.S. security and will continue to be "the best equipped, best trained, and best prepared armed forces on the face of the earth."

We could ask ourselves if during 1994 it has truly been necessary for U.S. national security to have Armed Forces of such dimension and with this amount of combat readiness. Clinton himself answered this question when he referred to actions carried out by U.S. forces in Iraq, Somalia, Bosnia, and Haiti. It is necessary to prepare, train, and equip these forces for interventionist operations.

Another aspect of U.S. national security mentioned by Clinton is "the introduction of reforms in the political and economic systems of other countries." In this regard, he noted the support given to the reforms in former European socialist countries. In his speech, Clinton said this support must combine "patience, because it is an enormous task, and vigilance to protect our interests and fundamental values" (of the United States, not of the countries in which those reforms are taking place). This is a highly interventionist policy, which is a common U.S. practice.

"The security and prosperity of the people of the United States depend on the success of political and economic reforms achieved in the former communist bloc countries." This idea expressed by Clinton is interesting. One would think that the U.S. people's security and prosperity should fundamentally depend on the U.S. economic and social situation. Claiming that these factors depend on what happens in other countries is an attempt to justify and seek popular support for the indisputable interventionism that has always characterized U.S. foreign policy.

Let us look at the issue of human rights. Countries in which the Clinton administration promised to do everything possible to improve the situation of human rights were mentioned. The United States not only assumes the role of international policeman, it also assumes the role of infallible arbitrator observing what happens in other states, while inside the United States there are citizens who suffer from repression, discrimination, and inequality because of their sex, social class, or political ideas.

In short, this year the United States adhered to the ideas expressed at the Congress. "To preserve the security of our nation is to remain involved in what happens in the rest of the world and to keep the Armed Forces strong and prepared in such a way as to reaffirm U.S. leadership and participation in conflicts. In this way, the U.S. people will feel safer than before."

This is an interesting outlook on how to preserve a country's national security. President Clinton, however, has admitted that the American people feel less threatened by "outside dangers" than domestic ones.

Let us again consider President Clinton's own words to get a good idea of the panorama that the American people have to deal with every day. Today, U.S. society is marked by a high crime rate, which endangers the lives of its people, and this situation is aggravated by the large-scale consumption of drugs. Violence is devastating the community and the family, and it is eroding the spirit of civilized society.

Shortages of jobs, opportunities, and hope in the neediest of communities—shortages provoked by a lack of investment and the banks' refusal to lend money to people who live in certain places; inadequate social security; and the lack of a system to provide public health care for everyone are all creating serious security problems in U.S. society.

The loss of society's fundamental values, the erosion of unity in the family, parents' lack of care and concern for their children, and a lack of confidence and hope in the future reveal the true situation being faced by a large segment of the U.S. population.

All of this, which President Clinton mentioned in his 25 January speech, has changed little at the end of 1994 and truly poses dangers to U.S. national security.

The U.S. Government wants to organize the rest of the world according to its own interests by applying the "Made in the USA" national security principle, and yet this government has been unable to solve its own domestic problems, thereby contradicting the saying that "order must start at home."

Chilean Foreign Minister Mentions Restoring Ties

FL3011020794 Havana Radio Rebelde Network in Spanish 0000 GMT 30 Nov 94

[From the "Exclusive" program]

[FBIS Translated Text] Chile's Foreign Minister Jose Miguel Insulsa stated to Notimex international press agency that the Chilean Government could reestablish diplomatic relations with Cuba in the coming months, and that this would possibly take place during the first quarter of 1995.

Oil Exploration Contract Signed With British Firm

FL3011030794 Havana Radio Rebelde Network in Spanish 0000 GMT 30 Nov 94

[Commentary by reporter Fernando Davalos from the "Exclusive" program]

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[FBIS Translated Text] A new contract for oil exploration involving risk [contrato a riesgo] was signed on 29 November between Cuba and the British Borneo Company. This indicates that Cuba is a safe place for investments. It also shows that it is profitable to begin a business in Cuba, even when there are no chances of immediate revenues. In addition, it indicates that there is trust in Cuba, because otherwise, none of these international businesses would dare to operate in Cuba.

This contract, signed by Cupet with the English, represents risk, as does any oil venture—hence its name. The companies risk capital because it could happen that no oil is found. However, this is not necessarily the case this time because British Borneo will explore an area of approximately 6,000 square km, with tested oil potential.

There are over 10 companies exploring for oil in Cuba. This is not the only one. It is clear that there is faith in Cuba's seriousness. Additionally, association with foreign investment makes good sense because oil exploration costs hundreds of million of dollars, resources that Cuba does not have. Also, this is the way for Cuba to access the most modern oil technology, and is definitely the only possible way to procure the oil and gas we need, which clearly waits under Cuban soil, as has been confirmed by British Borneo.

The path is long, complex, and slow. However, there is no other path. There are no miracles, only systematic and diligent efforts by specialists and workers to find oil. It is true that Cuba is in a hurry. Today, however, we have taken a positive step.

Foreign Investment Minister Meets EC Officials

FL2911213594 Havana Radio Rebelde Network in Spanish 1800 GMT 29 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] Ernesto Melendez, minister of Foreign Investment and Economic Cooperation, visited Belgium, where he met with high-level officials of the Commission for the European Community [EC] and Belgian businessmen.

During his stay in Brussels, Melendez met with Santiago Gomez Reino, director of the Humanitarian Office of the Commission, and other high-level officials of that entity. Later, he met with (Joseana Coreta), the Commission's director of Latin American relations. During those meetings, they reviewed the progress of cooperation between Cuba and the EC's Commission.

Raul Castro, North Korean General Meet

FL2911161994 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 29 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] Army General Raul Castro, Revolutionary Armed Forces [FAR] minister, received a delegation headed by Army General Cho Myong-nok, chief of the North Korean Air Force and Antiaircraft Defense, at the FAR Ministry, in Havana, on 28 November. Division General Ulises Rosales del Toro and Julio Casas Regueiro attended the meeting. Raul Castro showed interest in the progress of the delegation's agenda and expressed Cuba's gratitude for a friendly visit, particularly during hard times, when special support is needed. Issues regarding the economic and political situation of both countries were discussed during the meeting, as well as the strengthening of traditional relations between the Cuban and North Korean Armed Forces.

The North Korean military delegation began talks with Cuban Antiaircraft Defense and Revolutionary Air Force [DAAFAR] chiefs earlier in the day. They were briefed on FAR's structure, tasks, and missions. Brigade General Ruben Martinez Puente, chief of DAAFAR, described the Cuban military strategy as war by the people and the defense of the territory.

The North Korean delegation arrived in Cuba on 24 November and so far has visited military, social, and economic points of interest. Their agenda includes a visit to the eastern provinces before their 6 December departure for the DPRK.

General Tours FAR Installations

PA3011042794 Havana PRENSA LATINA in Spanish 0203 GMT 30 Nov 94

[FBIS Translated Text] Havana, 29 Nov (AIN) Army General Cho Myong-nok, chief of the Air Force and Air Defenses of the North Korean People's Army, has made an extensive tour of important military installations of the Revolutionary Armed Forces (FAR) of Cuba.

Cho and the delegation accompanying him have visited an Air Force rocket center in Havana and a farm and livestock unit.

The high-ranking official also has toured the Yuriy Gagarin military industrial company and has spoken with the supervisors of this installation, which repairs airplanes and helicopters.

Accompanied by Brigadier General Ruben Martinez Puentes, FAR Ministry representative and chief of the Armed Forces, Myong-nok was given a brief explanation of the work performed by Cuban soldiers and officers in maintaining technology at optimum levels.

The delegation from the Democratic People's Republic of Korea was received by FAR Minister Army General Raul Castro during the evening.

Czech Deputy Foreign Minister Arrives

LD2811151594 Prague Radiozurnal Radio Network in Czech 1400 GMT 28 Nov 94

[FBIS Translated Text] Pavel Bratinka, the Czech deputy foreign minister, arrived in Havana in Cuba

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today at the beginning of his tour of Latin American countries which will last several days. Czech Radio's special correspondent Zita Senkova reports:

[Senkova] There is a number of differences between the Czech Republic and Cuba as far as their approach to world problems is concerned, their views on what constitutes a free society and democracy differ, Deputy Minister Bratinka told Czech radio.

He is the first official of the Czech Republic to arrive here, after five years of stagnation of bilateral relations, to discuss not only the possibility of a future development of relations between Prague and Havana, but above all the method to be used by Cuba to repay its debt amounting to 400 million dollars. The sphere of trade and investments is, according to Pavel Bratinka, the matter for private entities. It is not the government to decide whether somebody will or will not invest abroad, this is decided by entrepreneurs themselves. Their willingness to embark on financing larger-scale entrepreneurial activities of Czech companies [in Cuba] will be subject to Cuba's creditworthiness regarding its ability to pay off its debts and from the point of view of its prospects of being capable of paying off future obligations. If Cuba provides guarantees for peaceful development and economic dynamism, Czech companies and investors might be attracted to Cuba.

Discusses Cooperation

FL2911220094 Havana Radio Rebelde Network in Spanish 0000 GMT 29 Nov 94

[From the "Exclusive" program]

[FBIS Translated Text] Pavel Bratinka, vice foreign relations minister of the Czech Republic, is carrying out a tight work schedule aimed at assessing revitalization of bilateral relations between Cuba and the Czech Republic. Following are comments he made during a news conference:

[Begin Bratinka recording in Czech, with passage-by-passage translation to Spanish] I brought Czech proposals with me, for agreements on trade and payments. I also have a draft for establishment of an agreement to protect investments. For now, these two projects, together with a third project of agreements on payment of taxes, will form the standard framework for economic relations. [end recording]

The Czech vice foreign minister also referred to his country's interest in the energy sphere, in the Las Camariocas nickel processing plant, and in the possibility of investment and the creation of joint enterprises.

During his stay, (Bratinka) met with Isabel Allende, his Cuban counterpart, and with Foreign Trade Minister Ricardo Cabrisas. He will also meet with Ernesto Melendez, and Carlos Martinez Salsamendi, heads of the Ministry of Foreign Investment and the Chamber of Commerce, respectively.

Parliament Session Analyzes Citizenship Bill

PA3011022094 Havana PRENSA LATINA in Spanish 0106 GMT 29 Nov 94

[FBIS Translated Text] Havana, 28 Nov (PL)—The Cuban parliament held a session today to analyze the Citizenship Bill and to listen to the opinion of Cuban nationals who live abroad.

PRENSA LATINA had access to the session, which was attended by Ricardo Alarcon, president of the legislative body. This is the second such session the Constitutional Matters Standing Work Committee of the National Assembly of the People's Government has held to debate this issue with the participation of emigrants.

Some 15 residents of the United States, Mexico, and other countries expressed their opinion on the various points of the bill, especially on matters pertaining to the eventual loss or recovery of Cuban citizenship. The bill is now in its sixth version.

Jorge Gomez Barata, an official of the Central Committee of the Communist Party of Cuba who also participated in the meeting, spoke about the care with which Cuban authorities and deputies discussed a matter that concerns both the people of the island and those who live abroad.

Alarcon took the floor following several deputies and emigrants. He spoke in favor of promulgating a law maintaining the constitutional single-citizenship principle and establishing procedures for regulating, without instituting an automatic loss of citizenship, ways in which the authorities may adopt decisions in this regard.

Mentioning the candor demonstrated during the debate and in analyzing certain migratory dispositions now in effect, Alarcon said it would be naive to believe recent immigration agreements mean Cuban-U.S. relations have become normal.

Our country has been subjected for a long time to a policy of implemented aggressions, basically, through people of Cuban origin, and as long as this abnormal situation exists, we cannot ignore it.

Alarcon said the normalization of relations with the United States does not depend on a Cuban migration law. Referring to the Citizenship Bill, he said the bill will systemize this legal field and end the existing vacuum.

The Cuban Constitution establishes that there must be a law to regulate the loss or recovery of citizenship, and this goal will be the fundamental objective of the bill being drafted.

Another aspect mentioned by Alarcon was that Cuba is informed, according to diplomatic norm, by other countries of the adoption of a new citizenship by people of Cuban origin, a process which allows Cuban to clarify their legal status. Concerning the United States, such

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notices do not take place as a result of the policy maintained by that nation for Cuba.

Cuban emigrants stated their appreciation for the invitation to the session, recalled their participation in "The Nation and the Emigrants" conference in Havana in April, and said these events help them maintain a constructive relationship with their country.

Ramon de la Cruz, chairman of the Constitutional Affairs Committee, closed the meeting by saying the Citizenship Bill will consider the country's needs and security and the rights and interests of patriotic emigrants.

The session was also attended by Jorge Lezcano, chairman of parliament's Foreign Relations Committee, Jose Cabanas, director of the Foreign Ministry Emigrants Attention Department, and deputies Jesus Montane and Melba Hernandez, among others.

Fidel Castro Praises Cubalse on 20th Anniversary

FL2911170394 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 29 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] Commander in Chief Fidel Castro Ruz sent a congratulatory message to the 2,800 workers of Cubalse on the occasion of the enterprise's 20th anniversary. Felipe Perez Roque, a member of the Council of State, read Fidel's message:

[Begin Perez recording] As an entirely socialist enterprise and as a fruit of the Revolution, Cubalse has demonstrated throughout these years that efficient work and good results are the product of exemplary workers, good working conditions, grass-roots party organization efforts, labor union activities, and the Union of Young Communists [UJC], as well as the proper use of the organizational mechanisms and the tools of economic control. [end recording]

Cubalse General Director Jose Manresa reviewed the enterprise's successes over the 20 years, emphasizing that this enterprise is a totally Cuban system of commerce and service that began at a small scale, providing services to the Foreign Ministry. Today it is a flourishing enterprise that participates in the national industry with 30 factories and a construction brigade. In 1993, the enterprise made $115 million. Manresa also remembered Celia Sanchez, who was the founder of Cubalse and main promoter of the idea. Commander in Chief Fidel Castro and other outstanding workers were presented with founders' certificates.

Raul Castro Chairs Meeting on 1995 Military Budget

FL2911221394 Havana Radio Rebelde Network in Spanish 1800 GMT 29 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] Based on the achievements, difficulties, and experiences of the year that is about to end, the Military Council of the Ministry of the Revolutionary Armed Forces [Minfar], chaired by Army General Raul Castro Ruz, outlines the main activities for 1995.

According to a report in today's GRANMA newspaper, the Council also studied the proposed budget for 1995. The Minfar's proposed budget maintains a tendency toward cutbacks [reduccion] which has characterized defense costs during the special period, currently 52 percent of what the average budget was between 1986 and 1990.

Proposed Budget Detailed

FL3011032494 Havana Cuba Vision Network in Spanish 0100 GMT 30 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] Guidelines for the main activities for 1995, based on the achievements, difficulties, and experiences of the year that is about to end was the issue debated by the Military Council of the Ministry of the Revolutionary Armed Forces, presided over by Raul Castro. The Council also studied the proposed budget for 1995. The proposed budget maintains the same reduction tendency that has characterized defense costs during the special period—currently 52 percent of the average budget over the five-year period between 1986 and 1990. On the other hand, 29 percent of the budget will be covered by funds provided by the Revolutionary Armed Forces [FAR] itself. This makes military costs less of a burden for Cuba's economy. The Council verified that this is a result of the implementation of measures such as improvements, cost reduction, rationalization, and applied initiatives, all of this without hindering the capacity and combat readiness of the forces that guarantee Cuba's defense.

The Council also analyzed a proposed directive that establishes projects and guidelines for preparing Cuba's defense during 1995 and 1996. Among these guidelines, the troops' training, conditioning of the theater of military operations, maintenance of equipment and weapons, development of the food production program, strengthening military discipline, and self-financing of the FAR were highlighted.

Invited to participate in the meeting, Finance and Prices Minister Jose Luis Rodriguez made statements that were of special interest. Rodriguez advised on the current situation of the corrective economic measures implemented in Cuba. [Words indistinct] Raul Castro stated that the information given to the Army's Military Councils by Rodriguez has become an important instrument with which to work.

Along with Raul Castro, other participants in the meeting were: Juan Almeida Bosque; Division Generals Ulises Rosales del Toro, Julio Casas Regueiro, and

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Leopoldo Cintra Frias; Comrades [words indistinct]; as well as Army chiefs and other high-ranking officers.

Minister Interviewed on Culture Policy

PA3011012494 Caracas EL NACIONAL in Spanish 26 Nov 94 p C-16

[Report by Zayira Arenas]

[FBIS Translated Text] After speaking for about an hour at the ceremony to install the Venezuelan commission for the commemoration of the 100th anniversary of the death of Cuba's independence hero and poet Jose Marti, Cuban Culture Minister Armando Hart was a bit out of breath to respond to questions about the cultural situation on the island and about cultural policies.

Hart was at Caracas' Palace of the Academies and in a hurry not to be late for his appointment with President Rafael Caldera, but he likely had on his mind something he said in his speech: "Venezuela needs Cuba and Cuba needs Venezuela." For this reason, he granted us five minutes of his time.

[EL NACIONAL] What effect has the current situation in Cuba had on culture? Is the Cuban state thinking about a new cultural policy to adjust itself to the new situation?

[Hart] The problem you mention is very real. Our country has endured a very grave situation. We must consider that 85 percent of our culture-related imports had come from the European socialist countries, especially the Soviet Union. This was interrupted, and the people's needs in terms of health, education, and food acknowledged no foreign-exchange rationalization. We proposed to the government that foreign exchange produced by cultural and artistic performances abroad be used to sustain our culture. This was accepted, and this is how we have been supporting this sector. It is very possible to secure foreign exchange by promoting music and the plastic arts. Right now, we are having more difficulties in the area of books. For the artistic expressions that are facing the greatest difficulties and cannot be organized for exhibition abroad, we have created the Fund for National Culture.

[EL NACIONAL] Is Cuban culture for export?

[Hart] No. Based on our identity and most rigorous cultural principles, these financial gains are a means, not a goal. This is how we have tried to resolve problems. For example, we cannot sponsor festivals, and therefore we have coupled them with tourist programs that also serve to bolster the festivals, thereby compensating the cultural element and guaranteeing economic rewards.

[EL NACIONAL] Cuban pianist Frank Fernandez said during an interview with EL NACIONAL that the people have lost some of their interest in culture. He asked himself: "Who can play anything on an empty stomach?"

[Hart] No, no, no. That is very relative. In Cuba, spirits are high. Culture, however, continues to face difficulties. Culture has grown, and, more important, it can grow more in close contact with the people of America, especially with Venezuela.

[EL NACIONAL] The overseas success of the Cuban film "Strawberry and Chocolate" is continuing, and the film has attracted a great deal of attention. People are talking about Cuba's opening of the film industry to issues the revolution had considered taboo before, such as homosexuality.

[Hart] This is an issue that implies many problems. Social problems exist in Cuba and in the rest of the world. There are a great many mores about "that" in our America. I believe Cuba has been brave in making this very humanistic film. When I became culture minister in 1976, I was told about the homosexuality problem, which is a universal problem. I said this kind of problem, which has not been explained by sociology or by nature, could not be resolved by the Culture Ministry. We deeply respect human rights.

[EL NACIONAL] Is culture still a priority for the Cuban state?

[Hart] At the Unity Congress, Fidel said—and let's close this with this quote, because I really have to go—that "at this moment in the country, culture is to be saved first."

[EL NACIONAL] You spoke of accomplishments and errors in Cuban politics. What are the accomplishments and errors in culture- related policies?

[Hart] The main accomplishment of the revolution in general, as well as of our culture policy, is that after 40 years of history, a moment came when revolutionary and socialist ideas took a downturn, but Cuba has been able to uphold its principles, making the necessary adjustments according to the situation. As Fidel has said: "Let us save the nation, the revolution, and our accomplishments."

[EL NACIONAL] And the mistakes?

[Hart] There have been errors. What 40-year-old process is free of errors? We can discuss and study them. We have committed errors, yes, but we have committed no crime.

Varied Prices, Higher Pay Reported at Farmers' Markets

FL2911162094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 29 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] Over 170 farmers' markets are operating in Cuba, with seven more opening soon in Havana City and other provinces depending on the availability of products. The new markets in Havana City will operate in Diez de Octubre, La Havana del

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Este, Plaza de la Revolucion, Cerro, and Arroyo Naranjo Municipalities. Over 60 different products have been sold so far in farmers' markets nationwide. Prices vary depending on the quantity of supplies in the provinces. Havana, Havana City, and Matanzas have higher prices, while Santiago de Cuba has the lowest prices; likewise, these four provinces have had the largest sales. Guantanamo, Sancti Spiritus, Granma, and Isla de la Juventud have sold less and showed a low participation of farmers. Workers' salaries in the farmers' markets have increased by 162 pesos above the Havana City average, and it appears to be a plus to have each market paying its own expenses.

Roundup of Economic Developments

PA2911142394

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Cuba monitored through 29 November.

Finance and Prices Minister Jose Luis Rodriguez recently reported that 96 percent of the state's budgeted income had been received as of September and expenditures were at 68 percent. Rodriguez further indicated that even though subsidies for losses could be somewhat higher than what had been programmed, a increased income due to measures taken during the year indicates that the deficit could be reduced by more than 35 percent. The goal of the 1995 budget is to reduce the deficit by 40 to 50 percent and have very reduced subsidies for 1996. Rodriguez added that sugar production recovery could take up to five years. (Havana Radio Havana Cuba in Spanish 0000 GMT 25 Nov 94)

The Diego Montero Mineral Water Bottling Company, a Cuban-Spanish joint venture, opened in Palmira Municipality, Cienfuegos Province. The plant has the capacity to bottle 2,500 bottles per hour. The Cuban water enterprise Cubagua built the installation. Carlos Lage, Council of State vice president, toured the plant. Jesus Montanero, aide to Fidel Castro, said the mineral water is being traded internally for freely convertible currency and that it could be exported to Latin American and the Caribbean. Meanwhile, Guillermo Caldes, president of the Cuban-Spanish joint venture, reported that the plant was built in 90 days and will employ 90 workers. (Havana Radio Havana Cuba in Spanish 0000 GMT 29 Nov 94)

'Straight Talk' Views 'Vanity' of New Rich

FL3011031594

[FBIS Editorial Report] Havana Radio Rebelde Network in Spanish at 1700 GMT on 25 November carries the 15-minute "Straight Talk" program, with host Carlos Santana Ojeda and guests Renato Recio and Eloy Concepcion.

Santana opens the program by referring to a recently published article in JUVENTUD REBELDE that deals with the growing problem of vanity, and the propensity for ostentatious behavior by those who have more financial resources than others. He asks his guests: Is this behavior a normal human tendency or is it an aberration?

Recio acknowledges the importance of the issue and states that it has the potential to become very troublesome, stating that already there are individuals earning high wages, "earning high dollar wages, above all" which is "not bad so long as they earn it." Recio explains that the people exhibiting this type of behavior by "showing off their new car, dressing conspicuously, sending their children to school with expensive snacks, knowing the child next to them has only bread" will have a negative effect on the Cuban people. He expresses his belief that it is those individuals themselves who have to take the responsibility for curbing this behavior. He says he is not advocating a monastic existence but simply stating that the Cuban people have never approved of ostentatious behavior or gross inequality.

Concepcion joins the conversation, stating that, although it is still not a widespread problem, "there are alarming signs," citing hot-rodding brand new cars as the most offensive. He states that these individuals have forgotten that they were able to secure these jobs, "thanks to the Revolution, to the policies the Revolution has upheld and will continue to uphold." Concepcion states that the most worrisome effect of this behavior is the influence, both intentional and unintentional, of these "frustrated capitalists" on others. He acknowledges their right to work in the tourism, or joint venture industries and earn higher wages, but cautions that they do not have the right to flaunt their advantages to those who do not have access to them.

Santana focuses the discussion on individuals who act pretentiously just because they work in a corporation and asks Recio if this is a result of the consumption culture that is developing.

Recio responds by noting that a number of people working in these corporations and other sectors have recently been able to raise their standard of living, terming them the "new rich." Recio adds that in every nation, a certain segment of new rich exhibit extravagant behavior to attract attention to themselves; this appeals to their sense of vanity. He adds that capitalism has created a consumption mentality, the idea that a man is valued not by what he is but by what he has, calling it a "negation of humanism, a negation of the purest social philosophy." He expresses his personal belief in the value of a person for his innate qualities and adds that the Cuban people deserve a better standard of living, but must maintain their self-worth at the same time.

Concepcion points out the sensitivity of the subject, and goes on to say that the majority of workers in this sector are not arrogant, but hardworking and generous in their donations to the health sector. He says it is important to discuss the flagrant actions of some individuals who do

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not understand "why the Revolution has taken these steps to open up to joint ventures, corporations, and tourism," to increase awareness of the potential problem.

Santana asks Renato and Concepcion if their comments are being influenced by egalitarian beliefs.

Recio denies any egaltarian tendency, stating that people must work and receive according to their effort. He acknowledges that the current economic situation creates inequalities among people, but he condemns "this vanity, this attitude, this lack of manners, this disregard for others." Recio points out that parents who are exhibiting this behavior are teaching it to their children, and it has the potential to generalize to the rest of society.

Concepcion replies that many times it is not the tourism, or corporate worker, or one who has certain benefits, but the children or friends of the workers who exhibit this behavior, and expresses concern over improper use of resources, such as wasting gas showing off new cars. He states that he believes the essence of the "vanity" problem is the workers in the sector's "lack of clear understanding of the objectives sought by developing tourism, corporations, joint ventures, or possible benefits." Concepcion adds that he has not observed this "vanity" among the tobacco and petroleum workers. He says that the desire for consumption and capitalism is surfacing and developing, and that it is disruptive in a society living with extraordinary shortages. Concepcion concludes by saying that the example set by the workers who donate their tips to the public health sector, and who buy medicines with their salaries is the example that must be followed.

AIDS Vaccine Research Revealed at Havana Conference

FL2911172594 Havana Radio Progreso Network in Spanish 1200 GMT 29 Nov 94

[From the "First Thing" program]

[FBIS Translated Text] Jose Miyar Burruecos, secretary of the Council of State, today inaugurated Biotechnology Havana '94, a scientific conference attended by more than 1,000 specialists from 40 nations. It was recently reaffirmed in Havana that Cuban scientists are working on an AIDS vaccine.

Inter-Caribbean Affairs

Caricom Considers U.S. Investigations of EC Trade

FL2911153194 Castries HTS Caribvision Television in English 1945 GMT 28 Nov 94

[From the "Caribbean Evening News" program]

[FBIS Transcribed Text] Caricom [Caribbean Community] wants to settle the issue of the U.S. investigations into the trading practices of the EC as it relates to the banana industry. Caricom says this is a condition which it wants met before it participates in the upcoming Summit of the Americas. The three-day summit, which brings together leaders from the Caribbean community, North America, and Latin America, is said to open in Miami on 9 December. Caricom Secretary General Edwin Carrington and his deputy, (Byron Blake), met with journalists in Barbados to discuss the issue on the weekend:

[Begin recording] [Correspondent] On 17 October this year, the U.S. trade representative, Mr. Kantor, initiated an investigation based on a petition under Section 301 of the U.S. Trade Act. The petition was filed by Chiquita Brands International, an American company and one of the world's largest traders in bananas, and the Hawaii Banana Industry Association. The petition claims that the practices of the EC, together with Colombia, Costa Rica, Nicaragua, and Venezuela, as they relate to trade in bananas, are discriminatory and unreasonable and cause burden to U.S. commerce. The petition and resulting investigation are aimed at forcing the European Union to end protection of Caribbean bananas entering that market under what's known as the European Banana Regime, which was implemented on 1 July 1993.

[(Blake)] If the action by the U.S. trade representative is pursued to its logical conclusion and the European Union was to remove the requirement for license for entry into that market, the first effect of that would be a significant increase in supplies by the major companies. So that if the European Union were to follow the present request of the U.S. trade representative, we would expect to see that and out of that we would expect that the Caribbean producers would be (?sued) out of the market.

[Correspondent] Caricom says it cannot play (?an initial) part in the Summit of the Americas unless there is some agreement that the banana issue will be properly ventilated. And the Community questioned the mixed signals coming out Washington in relation to Caricom trade.

[Carrington] On 30 August last year—that's 1993—when five Caricom heads met with President Clinton, he gave instructions then to the U.S. trade representative—who is the same incumbent now—to take action, to undertake a study to see what action is necessary to protect Caribbean trade from any likely negative fallouts from NAFTA. It is that same trade representative, under that same President who has now embarked on an investigation into the banana regime of the European Union with a view to having it dismantled with the obvious consequences that this is going to destroy many of the small democratic nations in the Caribbean region at a time when you are coming around the table to discuss with these countries the sustenance of democracy, the endurance of democracy, and the prospering of democracy. We find it absolutely inconsistent and conflictual in

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terms of policy position, and we would really like the U.S. Government to explain.

[Correspondent] Dr. Carrington suggested that should the U.S. investigation lead to a scrapping of protection for regional bananas in Europe, there could be implications for other Caricom products, such as rum and sugar, as well as an effect on the future of trade within the region itself.

[Carrington] It is not just the four Windward Islands; it is not just the six banana-producing Caricom countries—that is, the four Windward Islands plus Belize and Jamaica; it is not even just the seven Caribbean banana-producing countries—those six plus Suriname. It is the entire Caribbean community, because the major market for Caricom goods in intraregional trade is the OECS [Organization of Eastern Caribbean States] countries. A total of 47 percent of the import market is in the OECS countries, so that what Barbados produces and sells in the region, what Trinidad produces and sells in the region, what Jamaica produces and sells in the region, 47 percent of it goes to those markets. If those markets collapse, if that market of the OECS collapsed so that the production ventures of Jamaica, Barbados, and Trinidad and Tobago to the extent that they depend on the intraregional trade. [sentence as heard] [end recording]

Bahamas

Troops Assigned to Haiti Leave for Training

FL2911182494 Nassau Bahamas Radio Network in English 1800 GMT 29 Nov 94

[FBIS Transcribed Text] A second group of defense force troops assigned to the UN peacekeeping mission in Haiti left Nassau this morning for Puerto Rico on board a U.S. C-130 military transport aircraft. Senior government officials, top-ranking officers of the defense force, and family members and well-wishers gathered at the VIP lounge at Nassau's international airport to see the 37 troops off. Betty Thompson reports:

[Thompson] The 37 troops will be flown to Puerto Rico to undergo several weeks of training for deployment to Haiti. The new contingent will be assigned peacekeeping duties in the north coast city of Cap-Haitien, where they will be working closely with international police monitors from the eastern Caribbean states of St. Vincent, St. Kitts, Barbados, and Grenada. The troops are also expected to become more involved in civic and nation-building projects. The new team of defense force officers will replace the current 35-member contingent, which is expected home by 15 December. Up until November, Caricom [Caribbean Community] troops were stationed in Port-au-Prince, where they were responsible for security duties at the port. While there, the group also provided security for the repatriation of over 6,000 Haitians. Close to 500 of the illegal immigrants were from the Bahamas.

Haiti

Michel Discusses Timing for Elections, Economy

FL3011014394 Port-au-Prince Radio Metropole in French 1700 GMT 29 Nov 94

[Passages in quotation marks in Creole]

[FBIS Translated Text] Prime Minister Smarck Michel met with journalists today to outline several current topics, such as elections and the disarming of armed bands. Smarck Michel believes the elections can be held in a little over three months from the formation of the Electoral Council. Regarding the armed bands, Michel indicated that their disarming would depend on the international police force. Rothschild Francois filed a report:

[Begin recording] [Francois] The high cost of living, security, elections, and restructuring of the public sector are the major topics discussed by Haitian Prime Minister Smarck Michel during his second news conference, which began with a moment of silence in memory of the 29 November 1987 victims of the armed terrorists who murdered voters.

In any case, during this news conference, Smarck Michel recalled his government program: equity in the economy, democratization of the Haitian economy. He also spoke of putting into private hands redress for the victims of repression, and protection of the most deprived sectors of the Haitian population.

Regarding the high cost of living, Smarck Michel refused to provide a deadline for a decrease in the cost of living in Haiti. He announced that some measures would be taken to make the work easier for importers at the harbor and at the Port-au-Prince airport. Let us listen to Smarck Michel.

[Michel] "I believe the high cost of living is the result of what it was otherwise supposed to be. Compared to what it was during the embargo and the period of repression, this is normal. But it should be lower. However, it has not declined enough because of uncertainties and the transition of leaving one situation and entering another. We are working on a decisive turning point so that those who place orders and establish choices have a clear policy on how things can be done. That way, the people can begin to gain trust in the process of goods and products arriving in sufficient amounts. Because it is quantity that determines prices.

"Second, regarding the airport and the harbor, we are working on establishing some rules and discipline. To choose a deadline would be for me to know that the cost of living is at 80 and I want it at 40. Then I can measure how long it would take me to reach 40. But, for the few months that I am spending here, I would like the cost of living to lose a point everyday. I do not have a deadline." [end recording]

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[Francois] Regarding public administration, the prime minister pointed out that all the employees who were hired on 11 May 1994 were dismissed. He pointed out that the machine has not yet started up and the plan for the restructuring the public administration has not yet begun.

Regarding elections, it will take between 14 and 22 weeks from the creation of the Provisional or Permanent Electoral Council. The nature of the Council has not been determined, Prime Minister Smarck Michel pointed out, indicating that given the lapse in the parliament, he would govern in compliance with the laws already in effect in Haiti. Prime Minister Smarck Michel speaks of the elections:

[Michel] "I believe that President Aristide wanted the elections in December and still wants them in December. However, technically, it will not be possible in December because we do not even have an Electoral Council. So, several organizations estimate that it will take 22 weeks, beginning with the Electoral Council. In several conversations I held with people involved in holding elections—UN representatives and so forth—I would say between 14 and 22 weeks. And, one should not forget that beginning in February, the parliament is null and void. Therefore, we can only govern with the laws already in effect... Not by decree, because their mandate ends." [end recording]

[Francois] Regarding security, Smarck Michel acknowledges that the disarming is not over. The government is going to take measures to use the interim police force currently in Haiti to continue the disarming work and to try to provide the population with confidence concerning members of the Armed Forces, now part of this interim force.

[Michel] "I understand the position of the multinational force, having more Americans than anything else, because they have their own countries' constraints that must be respected. However, I must say that the disarming cannot be complete, with the few thousand weapons that were collected because during the past three years, the amount of weapons I am used to seeing cannot disappear like that overnight. However, we reached a point where they helped us halfway and have always told us that we must do the rest while they assist, which changes the game. That is why, as we just said, we must use our sanity to continue the required security work. The sane part must be revalued, must gain confidence, and must be presented for the population to learn to trust.

"A program of practical tasks began after Tropical Storm Gordon for some Army members—development tasks, such as the cleaning of streets, et cetera, so that the population can see that the military does more than just kill people, that the military is also made up of people, and so the soldier who is a real person will not have difficulties in persuading the population that he is a human being." [end recording].

[Announcer] It should be recalled that the prime minister met with some legislators last night. The meeting was held at Villa D'Accueil, the prime minister's office. The deputies, representing various political blocs, responded to the invitation of Mr. Michel to explore the many causes blocking the General Assembly in the lower chamber. The prime minister explained to the legislators that some emergency speed must be injected into a vote for the laws still pending at the Legislative Palace. The electoral question was at the center of the meeting.

Belizaire Indignant Over Presence of U.S. Troops

FL2911203294 Port-au-Prince Signal FM Radio in French 1130 GMT 29 Nov 94

[FBIS Translated Excerpt] Senator Dejean Belizaire expressed loud indignation at the presence of U.S. troops in the country. Yesterday marked the 14th anniversary of his movement, the National Patriotic Movement of 28 November [MNP-28]. Belizaire, party leader, said he is satisfied with the work performed during these 14 years of its existence, but that he has determined to carry on with the struggle for democracy and national independence.

[Begin Belizaire recording, in Creole] Dejean Belizaire and MNP-28 are hostile toward all who appear to put the country under occupation. On the other hand, we can say, as senator of the Republic and as Senate president, that we made many things happen, we made many sacrifices to prevent what is happening now from happening. We went to Cartagena, we went to Washington. We signed the Washington agreement. The Washington agreement did not provide for occupation. On the contrary, Article 5.8 of this Washington agreement clearly indicates [words indistinct] refute and condemn any intervention by foreign armed forces in internal affairs. [end recording]

U.S. Troops Begin Departure; Other Forces Arrive

FL2911201894 Port-au-Prince Signal FM Radio in French 1130 GMT 29 Nov 94

[FBIS Translated Excerpt] Regarding the withdrawal of U.S. troops from Haiti, the evacuation operations have already begun. According to the U.S. ambassador to Port-au-Prince, William Lacy Swing, these operations will continue without interruption for a complete reduction of U.S. forces, which are currently the majority in the field.

The other elements of the multinational force continue to arrive in the country to replace the U.S. Marines, he asserted. Swing advised that between now and 1996, all U.S. troops will be removed. [passage omitted]

Duly Brutus Heads PANPRA Delegation to U.S.

FL2911210594 Port-au-Prince Signal FM Radio in French 1130 GMT 29 Nov 94

[FBIS Translated Text] A delegation of National Progressive Revolutionary Party of Haiti [PANPRA] deputies, including Duly Brutus as delegation president, and

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Deputies Laveaux Jean-Baptiste and Mrs. Edmonde Supplice Beauzile, left Port-au-Prince on Saturday, 26 November, for the United States of America. This delegation will spend a week in Washington, where it will meet with several political personalities from the U.S. Congress and Government, and officials of private U.S. institutions in Haiti. Before his departure, Deputy Duly Brutus held conversations with the president of the Republic, His Excellency Jean-Bertrand Aristide, Prime Minister Smarck Michel, and several other Haitian political personalities.

Demonstrators in Gonaives Attack Policeman

FL2911204194 Port-au-Prince Signal FM Radio in French 1130 GMT 29 Nov 94

[FBIS Translated Text] A member of the interim police was attacked in Gonaives on 28 November. A Haitian soldier-turned-policeman was charged with murder by a group of demonstrators returning from a Mass in memory of three students assassinated in 1985. Jean-Robert Cius, Mackenson Michel, and Daniel Israel were killed by henchmen of the Jean-Claude Duvalier regime on 28 November 1985. A demonstration in memory of those students degenerated and demonstrators hurled stones in several neighborhoods of Gonaives. A member of the Haitian interim police was attacked by the demonstrators.

Aristide Expected in Jacmel To Observe Damages

FL2911200394 Port-au-Prince Radio Metropole in French 1145 GMT 29 Nov 94

[FBIS Translated Text] President Jean-Bertand Aristide is due to visit the southeast city of Jacmel this morning. Jean-Bertrand Aristide will observe the damages first-hand caused by the torrential rains that flooded Jacmel and its surroundings.

The news regarding the visit of President Aristide was confirmed by a local radio station, Radio Energie, which announced this morning that President Aristide was expected within the next hours to make this first visit to Jacmel since his return to the country on 15 October.

Man Scales Palace Walls Undetected 'To See' Aristide

FL2911204894 Port-au-Prince Signal FM Radio in French 1130 GMT 29 Nov 94

[FBIS Translated Text] An individual climbed the railings of the presidential palace on the afternoon of 28 November, causing panic among security officials, mostly U.S. soldiers deployed in the country.

Fritz Metellus, about 30 years old, said he wanted to see President Jean-Bertrand Aristide. He lay on the ground below the peristyle of the palace for about 20 minutes without being detected by the GI's.

Metellus complained about the slowness of the reception service at the palace, a Signal correspondent reported. The GI's called on specialized reinforcements to remove this young man from the presidential palace yesterday afternoon.

Trinidad and Tobago

Finance Minister Delivers 1995 Budget

FL2511222994 Bridgetown CANA in English 2117 GMT 25 Nov 94

[By Linda Hutchinson]

[FBIS Transcribed Text] Port-of-Spain, Trinidad, Nov 25, CANA—Trinidad and Tobago's Finance Minister Wendell Mottley on Friday announced a 1995 budget of just over TT9 billion dollars which saw some tax increases and reductions.

Among the revenue-raising measures was an increase in the business levy from 0.25 per cent to 0.5 per cent, which is applicable to companies, self-employed persons and sole traders.

The Value Added Tax (VAT) net on businesses was also widened.

A new tax at the rate of six per cent will also become payable by insurance companies on general insurance premiums. One per cent of the new tax will be used to create a fund for compensating the motor accident victims of uninsured drivers.

Among the measures designed to stimulate economic activity, investment and increase employment opportunities was the reduction of the corporation tax from 45 per cent to 38 per cent. In addition, the incremental profits tax of 30 per cent will be removed.

A "wear and tear" allowance of 10 per cent on a declining balance will be granted on new buildings or structures and on capital improvements completed on or after the beginning of next year.

Mottley, who based the budget on oil prices remaining at US$16.50 a barrel, also excluded hotel rooms from VAT. Instead, a room tax of 10 per cent of the value of the accommodation will be imposed.

Among measures designed to provide relief to householders are marginal relief for persons with annual incomes between 16,000 and 20,000 dollars (one TT dollar - 17.5 cents U.S.).

Also, the top marginal rate for individuals will be reduced from 40 per cent to 38 per cent and the middle rate from 35 per cent to 33 per cent.

A spouse who pays the maintenance for his children will continue to claim the full amount as deduction, while the

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spouse with whom the children live will be granted an exemption from tax on the amount received up to a limit of 1,200 dollars per child.

Government has also removed the requirement for an exit tax in order to boost travel.

The penalty for companies failing to file a return of income tax after six months from the time required was increased from 100 dollar to 1,000 dollars.

With effect from the beginning of next year, liquid milk, whole childrens [as received], beef, veal, lamb, mutton, goat meat, livestock feed ingredients, vegetables and fruit will be removed from the import negative list and an import surcharge will instead be imposed on the items.

Government also intends to introduce a national tote system which will operate as a parallel to the existing betting pool operators systems. All bets will be subject to tax at a rate of 10 per cent.

Pool betting operators will continue to pay the annual licence fee of 100,000 dollars while the annual levy of 200,000 dollars will be increased to 400,000 dollars, payable quarterly in advance. In the event the amount of tax collected for a quarter is higher than 100,000 dollars, the levy will be refunded. If the 10 per cent tax collected is lower than the 100,000 dollars levy, the tax will be refundable by the betting levy board.

Government's overall fiscal operation is expected to result in a modest deficit of 116 million dollars or 0.4 per cent of GDP.

Mottley said the deficit will be financed from the proceeds of divestment in the sum of 544 million dollars after making net payments of 329 million dollars on the external market and 99 million on the domestic market.

Total amortization payments on both the domestic and foreign markets will amount to 1,209 million dollars while government's credit from the Central Bank will be reduced by a further 998 million dollars.

Planned external borrowings from the multilateral lending institutions will amount to US 118 million dollars.

"This year's budget seeks to liberate our people from some of the bureaucratic, fiscal and other burdens which constrain economic freedom and to provide further opportunities for citizens to take a more active and participatory role," said Mottley.

"It also seeks to enhance the physical, social and human resource infrastructure which will provide the platform from which Trinidad and Tobago will realise its vision of becoming the global city of the Caribbean."

Mottley said government was encouraged by the strides made over the last three years in reforming and turning around the economy.

"By the end of 1994, we will have exceeded our economic growth projections by 100 per cent realising a four per cent real growth rate for the year, the highest since 1981," Mottley said.

The government, he said, had restored growth, lowered unemployment, "navigated the unchartered waters" of trade reform and exchange liberalisation.

"...Our cup is not yet running over, but the level of well-being and prosperity of our people is unquestionably on the rise," said Mottley.

More on 1995 Budget Address

FL2911161194 Castries HTS Caribvision Television in English 1945 GMT 28 Nov 94

[From the "Caribbean Evening News" program]

[FBIS Transcribed Text] The 1995 budget in Trinidad has signaled some relief for householders, as Finance Minister Wendell Mottley announced a reduction in personal income tax. Minister Mottley also presented qualified relief for the business sector in the form of lower corporation taxes. Denise Moore takes a look at some of the major fiscal measures introduced in this year's budget statement:

[Begin recording] [Moore] According to the 1995 budget statement, householders earning $16,000 or less per annum will be freed of the burden of paying personal income taxes. Even income earners in higher brackets were not forgotten, as the minister announced a reduction in marginal rates from 40 to 38 percent and from 35 to 33 percent.

[Mottley] These measures will put $72 million into your pockets in 1995. This measure will take effect on 1 January 1995.

[Moore] Businessmen also benefitted from government's largesse, with modifications in dividend income allowances and withholding taxes costing the government some $31 million while making businessmen happier. However, the VAT [value-added tax] registration threshhold was lowered from $120,000 of income to $100,000 to widen government's tax net. This measure is expected to earn government $5 million. And, as part of government's program of trade reform, stamp duties and import surcharges have been removed, with some exceptions. Good news for travelers, too, as the tax exit requirement has been abolished and the personal gift allowance has been increased from TT$100 to TT$1,200. The allowance of wine and spirits has also been increased from one to 1.5 litres. [end recording]

Meanwhile, the bearer of good news: That's how Finance Minister Wendell Mottley prefaced his 1995 budget presentation. And, at first glance, it seems that manufacturers got some of what they were asking for. Sharon Coward tells us more:

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[Begin recording] [Coward] Minister Mottley laments that in the past year, not all manufacturers responded rapidly to the challenges of a liberalized marketplace. Two months ago, Richard Lewis, president of the TTMA [Trinidad and Tobago Manufacturers Association], himself lamented that manufacturers were becoming an endangered species. In their budget proposals, manufacturers asked for the removal of the five-percent minimum duty on imports. Well, they didn't get it. But, the minister did promise to address some of their concerns in another area: underinvoicing and misrepresentation of customs classes.

[Mottley] The following will be implemented in 1995:

- the institution of a code of conduct and a table of discipline for customs officers;
- next, the (Asecutor) computerized system will be fully operational at all processing stations from 1 January 1995;
- next, two container examination stations will be established at Point (Leesus) and Port-of-Spain during the first half of 1995. In fact, we have already started construction of the one at Point (Leesus). This will ensure that container examinations are conducted in a more secure, sterile environment and in a more...

[Coward, interrupting] Another plus for businessmen: lower rates of corporation tax and the removal of taxes on incremental profits.

[Mottley] The corporation tax rate of 45 percent will be reduced to 38 percent. In addition, the incremental profits tax of 30 percent will be removed.

[Coward] But, it wasn't all good news for businessmen. The minister also announced an increase in the business levy from .25 percent to .50 percent effective 1 January 1995. The minister also announced government's intention to invest in destination marketing for the tourism industry, as well as short-term projects for the sector. [end recording]

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Summit Delegation To Promote NAFTA Expansion in Miami

PA2911173694 Madrid EFE in Spanish 0737 GMT 29 Nov 94

[FBIS Translated Text] Mexico City, 29 Nov (EFE)—Mexico will participate in the Miami Summit with new authorities who have just made their debut in power and who are willing to support an expansion of NAFTA, which has been successful in its first year.

Leaders of 34 countries will attend the meeting between 9 and 11 December, which will serve as the "presentation to society" for new Mexican President Ernesto Zedillo, who will assume office on 1 December.

Government sources have told EFE that the Mexican Government believes the main topic of discussion in Miami will be hemispheric commercial relations, with particular emphasis on the NAFTA experience.

Zedillo intends to put NAFTA expansion into "second gear" to allow the inclusion of new countries—Chile or Panama—in a first phase, although Mexico's enthusiasm does not seem to be shared by its other partners, the United States and Canada.

The Mexican Government sources said that Mexico will not hold an individual position at the hemispheric summit but will participate in a joint project with the Rio Group, formed by Mexico and all the South American countries plus one representative each from Central America and the Caribbean.

Over the past few days, diplomats from the region have been outlining the joint Rio Group document, which will include issues involving trade, the environment, democratic processes, and farming subsidies.

Preparations for the Summit of the Americas—about which very little is spoken in Mexico because the political class is busy with the presidential changeover—are being handled by the Foreign Relations Secretariat in coordination with a Zedillo team.

At the meeting, Mexico will be able to give favorable reports on NAFTA's first 11 months, including the creation of approximately 130,000 jobs throughout the region and a notable increase in commercial relations.

According to information from the Bank of Mexico, during the first nine months of NAFTA's implementation, Mexican imports to the United States increased 18.04 percent and imports from that country increased 15.6 percent in NAFTA's first nine months.

Currently, 84 percent of all Mexico's foreign sales are made to the United States. One year ago the figure was 82 percent.

Commercial relations with Canada have also improved. During the first nine months of this year, Mexico increased its sales to Canada by 28 percent, while Canadian imports increased 41.22 percent.

"Our relationship with Canada is very important to us, not only because we have maintained relations for 50 years but because it is an important investment and trade partner. Furthermore, it balances our relationship with the United States," Zedillo said on 22 November during a visit to Canada.

Mexican economic experts predict that NAFTA will result in a concentration of Mexican exports to the United States, which will create a dependency detrimental to its exchanges with Europe.

In NAFTA's first year, Mexican exports to the EU dropped from 5.6 percent to 4.3 percent of its total sales, and the old continent's imports dropped from 1.4 percent to 1.2 percent of the total of Mexico's foreign purchases.

Jorge Montano, Mexican ambassador to Washington, said recently: "We need to open NAFTA and define the rules of access." He added: "As far as Mexico is concerned, we are willing to open NAFTA immediately."

Mexico's economy is considered one of the most open on the continent. In addition to its inclusion in NAFTA, this year it has negotiated commercial opening agreements with Colombia and Venezuela within the Group of Three, as well as with Bolivia and Costa Rica. Mexico has had a similar agreement with Chile since 1991. Outgoing Mexican President Carlos Salinas recently asserted: "We have anticipated and even exceeded the demands of the rules governing multilateral trade."

PRI Leaders Accuse Mario Ruiz Massieu of Slander

PA3011023994 Mexico City XEW Television Network in Spanish 0430 GMT 29 Nov 94

[From the "24 Hours" newscast]

[FBIS Translated Text] The attorneys for Senator Maria de los Angeles Moreno [Institutional Revolutionary Party, PRI, secretary General] filed a complaint today with the Attorney General's Office accusing former Deputy Attorney General Mario Ruiz Massieu of slander. Likewise, PRI leader Ignacio Pichardo also filed charges with the Attorney General's Office against Mr. Mario Ruiz Massieu.

Jose Davalos, internal comptroller of the Attorney General's Office, today said the alleged evidence against Pichardo and Moreno comprised nothing more than newspaper clippings, press releases, and opinions issued on photocopies.

EZLN Leaders Reject Interim Government in Chiapas

PA3011035194 Mexico City EL FINANCIERO in Spanish 29 Nov 94 p 44

[Report by Bertha Alicia Galindo]

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[FBIS Translated Text] Aguascalientes, Chiapas, 28 Nov—Only two days before the inauguration of Ernesto Zedillo, the Zapatist Army of National Liberation (EZLN) only expects from him "one more mockery." The EZLN also rejects an interim government in Chiapas, and it feels the resumption of the war is near. This statement was said by "Commander Tacho" and "Major Moises" in an exclusive interview granted to EL FINANCIERO.

Interviewed in Aguascalientes amid the thick foliage of the mountains of southeastern Mexico, they have warned: "We are going to reply both politically and militarily." We are not going to stop demanding that the people be taken into account, and "the resumption of war is near in this sense."

The confinement to quarters of the EZLN troops under "Subcommander Marcos" began on 17 November. "Marcos has the power now; we trust him as leader and military chief," Tacho has said.

The confinement does not mean we are going to attack. We are only on alert, because the number of overflights by federal planes has increased, he added.

Zedillo's position does not permit him to offer anything according to the rebel leader. Moreover, who knows whether he is staying, because the people are going to protest against him. "We really cannot believe in him. We cannot allow ourselves to be deceived again," "Major Moises" has said.

If we are thinking about taking up weapons again, "Commander Tacho" says, it is because there is no solution, because they have not heard or seen us, because they are not interested in us, because the poor do not count in this country.

Regarding the next government in Chiapas, the members of the Clandestine Indian Revolutionary Committee believe Governor-elect Eduardo Robledo Rincon "will be imposed." He will be imposed on 8 December by the cattlemen who are exerting pressure, but "the fact the Indians are declaring autonomous municipalities means he will be unable to govern, because he is not legitimate," they have said.

If Eduardo Robledo reaches the Tuxtla government palace, he will only govern there, in one or another municipality, and along the highways. That is the extent of the power he will have, they have said.

Robledo, the Federal Army, and the cattlemen will be on one side, and the peasants and all the Indian groups will be on the other; there will be a government of the poor and a government of the wealthy.

Tacho and Moises have emphatically rejected the possibility of an interim governor. "There have already been many interim governments," they have said.

They have said another reason why the war might be renewed is that the people are not permitted to exercise their right to elect their government leaders.

That point is why "we are telling the Mexican people to demand their rights and not to allow themselves to be governed by illegitimate leaders who are the product of fraud."

If negotiations satisfy all your demands, what would happen to the EZLN?

Some of us would take our plow and start plowing; others would go pick coffee, and others would be bricklayers.

What would you do with your weapon, Commander?

I will go to Africa to hunt elephants or maybe I will hang it around here.

PRD Backers Protest Tabasco, Veracruz Election Results

PA2911210594 Mexico City NOTIMEX in Spanish 1748 GMT 29 Nov 94

[FBIS Translated Text] Mexico City, 29 Nov (NOTIMEX)—Militants of the opposition Party of the Democratic Revolution (PRD) from Tabasco and Veracruz States arrived at Plaza de la Constitucion at dawn to stage a sit-in to demand respect for the elections in those states.

Manuel Lopez Obrador, PRD governor candidate in Tabasco, led the march of approximately 2,000 party militants, who arrived in the capital in passenger buses, cargo trucks, and private vehicles.

The caravan was received by former PRD presidential candidate Cuauhtemoc Cardenas, PRD Federal District leader Ren Bejarano, and Samuel de Villar, a member of the PRD's national executive committee.

The PRD supporters said upon arriving in the capital plaza that they will remain there until their request to annul the elections in Tabasco and Veracruz Status on 20 November is honored. The demonstrators believe the elections were marked by fraud.

Demonstrators from Chiapas and teachers from the western state of Michoacan are expected to join the sit-in on Tuesday.

On Monday, President-elect Ernesto Zedillo met with PRD legislators, who demanded honesty in the elections held in Tabasco, Chiapas, Veracruz, and Tlaxcala.

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Guatemala

De Leon Views UN Expert's Preliminary Report

PA3011022194 Guatemala City Teleonce Television in Spanish 1900 GMT 28 Nov 94

[Report on interview with President Ramiro De Leon Carpio by unidentified reporter; place and date not given; from the "Telepress" newscast—recorded]

[FBIS Translated Text] In response to UN expert Monica Pinto's remarks in a preliminary report released yesterday after she concluded her 11-day visit to Guatemala, President Ramiro De Leon Carpio today defended his government's measures to reinforce the mechanisms on people's protection with the Army's cooperation. He recalled that certain sectors of the population have asked him to order the Army to support the police in countering the increasing crime rate. He added he will discuss Pinto's final report on Guatemala's situation after she has gone over her own remarks more carefully:

[Begin recording] [De Leon] I will look at her report when she has studied and taken into consideration all possible factors. It is impossible for her to draw a conclusion on the situation in just a few hours. I prefer to wait one, two, or three months for her final report before commenting on it. She underlined negative aspects but left out the progress she herself recognized when she talked with me. She failed to recognize our degree of progress in fulfilling of her recommendations, a point of which she will surely include in her report. Concerning her arguments on militarization, with due respect I have no idea where she found the material for them. I do not know what kind of material she used.

[Reporter] [Words indistinct]

[De Leon] That is only one ministry, as I said when I made the official announcement. I have appointed a Guatemalan Army officer, because the people have asked me to do so. There was such a crisis of insecurity that the people asked me in desperation to do something. The people, to whom I am responsible, had me coordinate the work of military and civilian forces. This reason is why I did it.

I do not deny there is a special relationship between the two forces, because the people demand security. What evidence is there of the people's demand? When buses were torched during a recent crisis and I asked the Army to intervene, the people applauded the presence of officers and soldiers, because their presence meant security to the people. These things must be looked at carefully and properly understood before expressing an opinion about militarization.

I met and talked with Pinto for several hours on 25 and 28 November, when she departed. I trust she will be very objective. Concerning her report, she has to say something in advance. She mentioned three or four points, but she did not highlight everything. She mentioned militarization, because this subject stands out, although it can be easily exaggerated. Frankly, what we have here is the Guatemalan Army supporting the president's political, economic, and social decisions. I have never experienced difficulties or pressure regarding this subject.

Here and everywhere else in the world, military subjects are discussed with knowledgeable people who are involved with it, in this instance, the Army High Command. Nevertheless, other subjects, such as economic, social, and cultural policies, have been implemented in complete freedom. Much can be said about militarization. For instance, she was told the Army had been issuing ISS [Social Security Institute] land ownership titles, but, as you all know, these titles are issued by the president of the Republic and, in his absence, the institution's president. I caught her in a lie, a fallacy. She says the Army controls the delivery of land titles. Can you imagine? What we are doing is privatizing the land and handing out land ownership titles, but this action is not being done by the Army. This point should end her assertion about the Army issuing land titles.

The other point, about the Foreign Ministry, is true. I have appointed Colonel Leiva due to the need for the Army's support and cooperation to fight crime, an action about which honest people, who are the majority, are happy. The criminals who break the law are the ones who are not satisfied. Honest Guatemalans, who are the majority, are quite happy to have the law enforced and the Army's support for national security and the Guatemalan people's tranquility.

[Reporter] Referring to the increased poverty, she said the private sector has hardened and is no longer willing to participate in (?combating poverty).

[De Leon] It is her personal opinion. I fully agree with her and you, dear journalists who are closely acquainted with reality, in that there is poverty and extreme poverty. We have before us the challenge to combat poverty. In addition, God permitting, we will put an end to the internal armed confrontation. We have been working in stages, however.

There is a new Congress and a new Supreme Court of Justice, and we have overcome a political crisis. We are now facing a social crisis, although there are more and more difficulties every day. For instance, what we did today benefits the lowliest population. I believe we are making good headway. I fully agree with her that human rights are still being violated, because we need health, education, jobs, housing, food, etc. This challenge is a big one not only for Guatemala but for all of mankind, particularly for all Latin American countries. [end recording]

Progress Document Presented to Expert

PA3011011294 Guatemala City PRENSA LIBRE in Spanish 28 Nov 94 p 28

[FBIS Translated Text] The document dubbed Progress on the Subject of Human Rights in Guatemala, which

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President Ramiro De Leon Carpio presented to UN expert Monica Pinto on 25 November, states that 42.68 percent of the recommendations proposed by Pinto in 1993 have been fulfilled.

The government report adds that 57.14 percent of the remaining recommendations are being fulfilled, proving President De Leon Carpio's political resolve to overcome the enormous ills suffered by the country in the past.

The progress in human rights reported in the document presented to the UN expert involves, among other things, the internal armed confrontation, the peace process, modernization of the security forces, the struggle against poverty and extreme poverty, and the treatment given to most Indians.

Furthermore, the document states, the rights to jurisdiction and due process have been defended, and the freedoms of association, expression, correspondence, and communication have been promoted.

This information proves that most of the people rated as victims of forced disappearances between January and August were found, constituting an unprecedented fact in the sphere of human rights in Guatemala.

This achievement is contained in the document presented to Pinto. During the first eight months of this year, 671 cases of forced disappearances involving an equal number of people were reported throughout the country according to official reports. Of this total, 510 have been returned to their homes.

The document adds that the National Police Department of Disappearance Investigations [Seccion de Investigaciones de Desaparecidos de la Policia Nacional—SIDPN] is still searching for 107 people who allegedly were victims of forced disappearances during that same period.

The government confirms in the same document its pledge not to encourage the formation of more voluntary civil self-defense committees, unless events occur to justify them. This point was agreed upon in the global human rights agreement signed with the guerrillas last March.

Concerning the military service, President De Leon Carpio has instructed the Army not to recruit personnel until the new military service law is promulgated. The Army, meanwhile, has heeded this instruction, and the commands are only recruiting volunteers.

Another prominent aspect of the document is its list of actions and policies to combat poverty and extreme poverty. In this regard, it explains, the government, through bodies called funds, basically meets the needs of the remotest towns that lack basic services acknowledged as human rights.

The Guatemalan president informed expert Pinto of these and other forms of progress during their last meeting on 25 November before the UN representative concluded her official visit.

Foreign Minister on Ministers' Miami Meeting

PA3011001494 Guatemala City Teleonce Television in Spanish 1900 GMT 29 Nov 94

[From the "Telepress" newscast]

[FBIS Translated Text] Guatemalan Foreign Minister Maritza Ruiz de Vielman has reported on the Central American foreign ministers meeting to agree on a common position for the Summit of the Americas to be held in Miami in December:

[Begin Ruiz de Vielman recording] As you know, there was a meeting in San Salvador on 24 and 25 November in which Deputy Foreign Minister Carlos Ramiro Martinez represented Guatemala. The objective of the meeting was to put together the points of the position Central America will adopt at the summit. I have brought with me a Foreign Ministry communique summarizing the results of that meeting, during which important agreements were reached. We will reiterate our views expressed at other meetings, stressing the importance of discussing trade at the Miami summit and supporting an alliance for sustained development. The Foreign Ministry has issued a press communique on this subject.

In addition, the Central American foreign ministers issued during the meeting in San Salvador a resolution on California's Proposition 187. The resolution states this proposition violates the human rights of Central American citizens residing in California. I also have information on this matter for you.

Another meeting taking place in Virginia will end today. The United States has called a meeting of deputy foreign ministers in Virginia to complete the final document containing the Declaration of Principles of the Miami Summit and the Plan of Action. Deputy Foreign Minister Martinez, who also attended the meeting in San Salvador, is representing the Guatemalan Government at this meeting. We will have additional information on this meeting, which will end today, for you tomorrow. [end recording]

Official: 'Meddling' Foreigners To Be Expelled

PA3011022394 Guatemala City LA REPUBLICA in Spanish 27 Nov 94 p 5

[Report by Cesar Gaytan M.]

[FBIS Translated Text] Immigration Director General Jose Enrique Urrutia confirmed yesterday "all foreigners meddling in domestic policy" will be expelled from the country, and their visas will be canceled, in reference to the case of U.S. citizen Jennifer Harbury.

Urrutia said a small number of foreigners entering the country as tourists get involved in the country's political activities and create a "greater crisis."

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The official said all foreigners caught in political activities (demonstrations and strikes) will be detained and expelled from the country for violating the sovereignty of the Guatemalan state.

"Those involved in politics or national affairs must stop; otherwise, they will be expelled," the director of the institution said as he confirmed their visas would be canceled definitely.

Concerning the UN Mission for Guatemala, Urrutia said "this issue is different, because it will observe national developments and will not take sides with any ideological current of the political struggle."

"If Jeniffer Harbury reenters the country to stage protests related to the case of her husband, guerrilla Commander Efrain Bamaca, she will be expelled from the country," the immigration official said. He confirmed Harbury would only be allowed to enter as a tourist.

Urrutia said there will be investigations to determine the legality of actions carried out by certain nongovernment international organizations, excluding those involved in human rights.

Deputy Baudilio Hichos Lopez, of the Union of the National Center, said on 25 November he will promote legislative efforts to ban "political activities" by foreigners in national territory.

In an statement sent to our editorial staff, Hichos says "many foreigners enter the country as tourists, get involved in domestic affairs, and cause problems. These people feel they are above Guatemalan law."

Justice Expresses Alarm Over Corruption

95CA0041A Guatemala City PRENSA LIBRE ('DOMINGO' Supplement) in Spanish 23 Oct 94 pp 4, 6

[Interview with Oscar Barrios Castillo, president of the Supreme Court, by Jeovany Ibanez in Guatemala City; date not given]

[FBIS Translated Text] He never imagined that after 47 years he would once again preside over a government institution. In 1947, during the administration of Juan Jose Arevalo, he served as president of the Congress of the Republic. Today, Oscar Barrios Castillo has been elected chief justice of the Supreme Court. As he reaches the culmination of his political life, he wants history to remember him as one of the best justices. But ...

It will not be an easy task. The new official is well aware of that, and that is why he is bound and determined to combat influence peddling and other ills that plague the Guatemalan justice system.

[Ibanez] What was the condition of the judicial system that you inherited, in terms of both the budget and the administration of justice?

[Barrios] The situation is truly distressing. Treasury officials informed us that the judiciary's account balance is zero, and that the deficit for December of this year will be 42 million quetzales, so we have no funding available.

We have good intentions in our work, but if we do not receive any assistance from the government, we believe that the administration of justice will become even more disastrous than it is.

There is also apparently an alarming level of inefficiency and corruption. That is why we will call upon the Association of Judges and Magistrates, the trade union, the law schools at the universities—in short, all segments of the population, to support us in our efforts to devise a plan to fight those scourges.

[Ibanez] Can it be said that the funds allocated for this year were misappropriated or stolen?

[Barrios] I will not venture to say, because I would be making specific accusations, but the mere fact that we do not have any money suggests serious irregularities. To determine whether something that extreme has occurred, we are going to hire an auditing firm to conduct the pertinent investigations.

We will solicit bids from auditors to select the best one. The problem is, however, we do not have the funds to pay them.

[Ibanez] Does that mean that in your efforts to shed light on corruption, your hands are tied because you do not have funds?

[Barrios] We do not believe that much time will pass. We are certain that the government will support us. There is an urgent need to find out where the money went and to clear up certain irregularities.

[Ibanez] What kind of irregularities have you discovered in the short time you have been at the head of the Supreme Court (CSJ)?

[Barrios] I prefer to talk about the irregularities as a whole, because our purpose is very serious, and we do not want to indulge in sensationalism or tarnish anyone's honor without specific evidence.

Thus, all the irregularities we are finding should be confirmed by the audit, and then we will take legal action against those who are found to be responsible. In this regard, we will not tolerate any irregularities.

We do not want to act irresponsibly, because that would mean that people who violated the law and engaged in corruption would be absolved for lack of evidence.

[Ibanez] How do you plan to resolve the financial crisis if you yourself admit that there is not even enough money to pay the employees' salaries?

[Barrios] We are asking the minister of finance for an emergency allocation of 8 million quetzales so that we can meet our October payments.

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To pay the November and December salaries, we will also need government assistance, and we will make up whatever is missing with the interest we are earning on the 85 million quetzales we have in the bank. That money does not belong to the justice system; those are judicial deposits that we must return.

[Ibanez] Could you be forced to lay off personnel because of the lack of funds?

[Barrios] We are analyzing the situation. First we will visit the courts to learn their needs, and from there we will make appointments or transfers, and maybe even remove some personnel, depending on the situation.

We have no prejudice against any employee, and that is why we will proceed as prudently as possible. We will, however, be very strict and unyielding on ethical violations, and we will demand morality, efficiency, and probity. Those who comply will not have any problems.

We will give our full support to the judges and magistrates, but at the same time we will hold them to answer for the actions of the personnel under their supervision, so they will have to evaluate their clerks, officers, and others.

[Ibanez] Relations between the previous authorities of the CSJ and their employees were rather tense because of the salary request. What will you do to improve those relations and deal with the salary requests?

[Barrios] We intend to maintain a relationship of mutual respect. I do not believe they will dare make that kind of request, knowing that we have a zero balance. Besides, they must recognize that judiciary employees are the best paid of all government employees.

[Ibanez] Does that mean that there will be no raise?

[Barrios] For the time being, definitely not. It is impossible. Furthermore, we will not be able to honor the commitment made by the previous justices to grant a retroactive pay raise going back six months.

It was extremely irresponsible to authorize that payment, knowing that there were no funds. In that regard, we hope the employees will stop and think, and that they will take a mature and responsible stance.

[Ibanez] What mechanisms will you use to get the executive branch to honor the commitment to turn over funds to the CSJ so that it can carry out its functions?

[Barrios] The president of the republic is aware of the crisis we are going through, and therefore I think it will not be necessary to take legal action to get them to deposit the 45 million quetzales we need.

In addition, bear in mind that the future of Guatemala is at stake, since the prompt and unerring application of justice is the backbone of any democratization process.

[Ibanez] In the speech you gave upon assuming the bench, you pledged to combat impunity, drug trafficking, and corruption in the justice system. What short-term measures will you adopt to keep your promise to the public?

[Barrios] We will strive to ensure that judges hand down decisions within the time periods specified by law so that we can have speedy and effective justice.

Trained professionals will oversee the courts and investigate corruption charges. Those whose guilt is proven by the evidence will be punished to set an example.

[Ibanez] In matters of corruption and influence peddling, who do you think should be punished more, the employee who accepts the sinecure or the person who offers it?

[Barrios] I think it is a two-way street, so both should be severely punished. That will be done with existing legal mechanisms, and for as long as I am at the head of the CSJ our goal will be to eradicate impunity and corruption.

[Ibanez] In the view of some legal professionals, the new code of criminal procedure is doomed to failure, given the lack of funding and the poor training of judicial employees. Do you think it will fail?

[Barrios] I always maintained that it was premature to put that legal instrument into effect. Now that it is already functioning, however, we must accept the responsibility and join forces to make it a success.

In that regard, the Penal Chamber and the attorney general of the republic will draft legislation to introduce in Congress so that the code can be amended and made viable.

[Ibanez] Along other lines, some appeals court justices have complained about the way the court assignments were carried out. Is that causing friction with CSJ officials right from the outset?

[Barrios] We regret those disagreements, but the law authorizes us to make the assignments we think are appropriate, and that was what we did. Now, some changes may be negotiated, but if that is not possible, they must simply decide whether or not to accept the appointment.

[Ibanez] In conclusion, the specter of influence peddling has haunted previous Supreme Courts. Do you think the same could happen to your court?

[Barrios] I will answer with the words uttered by Dr. Juan Jose Arevalo when he was inaugurated as president of the republic: "The telephone lines linking the Supreme Court of Justice with Congress and the National Palace have been ordered cut." And that is what has happened on this occasion.

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Privatization Coordinator Outlines Goals

95CA0041B Guatemala City PRENSA LIBRE ('DOMINGO' Supplement) in Spanish 6 Nov 94 pp 4, 6

[Interview with Manuel Ayau Cordon, coordinator of the National Privatization Commission, by Henry Hernandez Marroquin in Guatemala City; date not given]

[FBIS Translated Text] Manuel Ayau Cordon ["El Muso"] has been appointed coordinator of the National Privatization Commission to make a reality of one of the most controversial proposals in recent times. Although some have viewed his appointment with skepticism, because he allegedly has personal interests in the process, "El Muso" sees his job as a mere administrative procedure. The country's development hinges on whether that procedure is carried out properly and promptly, he believes.

[Hernandez] Let us begin with why you think privatization is justified at this time.

[Ayau] Several experiences have shown us not only the government's inefficiency in providing services to the population, but also its inability to offer those services at an affordable price.

Let us look at two examples. Nationalizing the train system set us back. When it was private, it worked, and the whole sector was prosperous. But what happened? It turned into a garbage dump, and trains became an obsolete mode of transportation.

When the electric company was private, we never lacked power. And when it tried to expand into other departments, it was prevented from doing so. It was restricted to the departments of Guatemala, Escuintla, and Sacatepequez. Thus, the majority was sacrificed to meet the needs of a minority.

If the government continues to manage the country's wealth—translated into goods and services—we will always be poor. It is time we Guatemalans regained our right to serve and be served, because until now our right to produce services has not been respected. And we are prohibited from rendering services that are reserved exclusively for the state, unless we are given permission, as if we were babes in arms.

With privatization, which will not be a major process because the country does not have a very socialized economy, we will generate free competition along with deregulation, eliminating all obstacles to a free market. As a result, we would no longer lag behind, because all countries are freeing up their economies.

All of us must develop, economically speaking, and the people with the most resources should make room for those who also have growth aspirations.

[Hernandez] How much freedom of action do you have? Have any conditions been imposed on your work?

[Ayau] I think I will have enough freedom. Besides, the whole process will be governed by law. The only condition is that it be done openly, because no sector will get any special benefits and there will be no concessions.

[Hernandez] What procedure will be followed?

[Ayau] We are going to begin with a public auction. Everything will be in the open and announced in advance. No one will have any privileges. But first we will study each of the laws that set up the companies to be privatized. Then we will send them to Congress to make the necessary changes, and finally we will proceed to sell the companies.

In this regard, the deputies have already shown a willingness to cooperate. They are aware that this is the only way to raise the standard of living in Guatemala.

It should be noted, however, that we do not plan to amend the Constitution. We have to put into practice the general, abstract, and fair laws that the various codes provide for.

[Hernandez] Is your position consistent with President Ramiro De Leon Carpio's objectives?

[Ayau] You could say so. He is ready to privatize, and by doing so he is hoping to save the country from being condemned to eternal poverty. We must free Guatemalans to undertake actions that will benefit the nation. For example, generating electricty does not cause cancer, right? The *chapin* [Guatemalan] has the right to a better future.

[Hernandez] Who will work with you on this?

[Ayau] I have begun to meet with the economic cabinet, because there is a desire to privatize all companies that are deficient. Afterwards, I will have to find the right person for each case. There may be an advisory council, since a lot of people have offered their assistance. We will see.

I should point out, however, that some sectors are interested in keeping everything the same, even though privatization is the most immediate way to emerge from underdevelopment.

Those who are opposed to it have a moral obligation to suggest where the resources will come from to provide electricity to the population, for example, because the government has no more money. Anyone who maintains that position is condemning Guatemala to darkness.

[Hernandez] If the public auction takes place, how will the proceeds be invested?

[Ayau] All the money that is collected will be used exclusively for investment: to build highways or to pay the public debt, but not for the functioning of the government. That way the people will trade one asset for another.

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[Hernandez] What is the mechanism for evaluating the assets of public enterprises?

[Ayau] The value of a company depends on the prospects for profitability, not on its initial cost. The one who pays the most, if we do not make any mistakes, will generally be the one who will use those services the most, economically speaking.

[Hernandez] But is there no initial basis for comparison?

[Ayau] There are different ways of doing it, but that will just be to meet a requirement, because the true value of a company is the price that is paid for it, and we must be very clear on that.

[Hernandez] In Bolivia, the privatization proceeds that were left over after debts were paid were divided up among the population. Could the same thing be done here?

[Ayau] The only purpose of privatization is to yield social benefits for public service, and if any money is left over, the government will invest it in clearly social projects. But that is not the principal reason for the process.

[Hernandez] And what is the principal reason?

[Ayau] A greater abundance of services. We must understand that we will remain in the dark if we do not privatize the government enterprises that have become veritable burdens to the state.

[Hernandez] Some say you have a conflict of interest with regard to privatization because you are a cogenerator of electricity.

[Ayau] I do not see what the problem is. Being in charge of privatization does not give me the right to meddle in the affairs of the Electricity Enterprise or the National Electrification Institute (INDE), as many think will happen. In the first place, I have neither the authority nor the administrative responsibility to do that.

If I have interests, they should reveal what those interests are. I do not think they can accuse me because I generate my own electricity, when several businesses, hotels, hospitals, buildings, and other companies do the same. In our case, we sell the surplus electricity to the Guatemalan Electricity Enterprise (EEGSA), but that does not allow me to have my way with that company as such.

Our policy will be to auction off the companies. I am involved in the sales process, not in the direct management of the company or in its contracts. I have nothing to do with that. I will just be a commissioned agent at the time of privatization. I have no interest in becoming an owner of the Guatemalan National Railways (FEGUA), the Guatemalan Telecommunications Enterprise (GUATEL), the EEGSA, INDE, etc.

[Hernandez] After privatizing the services that are now the government's responsibility, do you think we will be ready to compete on the international market?

[Ayau] I think so, because without telephones, highways, and other services in general, we cannot compete with anyone, or develop our industry to create more jobs. The objective of privatization is to give people the services they need to raise their standard of living.

If we want to bring in the capital that went to other countries, we will have to improve our services. All countries are freeing up their economies to emerge from poverty, while we are still talking about it. We must overcome this intellectual backwardness, come hell or high water.

[Hernandez] Do you regard privatization as a challenge, after the tug-of-war that has gone on?

[Ayau] I do not view it as a great challenge. It is just an administrative procedure that is necessary for the country and has to be carried out.

Nicaragua

Government To Ask U.S. for Special Treatment of Emigrants

PA2911224994 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 29 Nov 94

[From the "National Newscast"; passages within quotation marks are recorded]

[FBIS Translated Text] The Nicaraguan Government will ask the U.S. President to regrant the Nicaraguan community in Miami special treatment, Presidency Minister Antonio Lacayo said upon returning from Miami. Certain Miami-based media are experts at spotlighting Nicaragua's most negative side and misconstruing the Nicaraguan situation. To learn what the government is doing and where the country is headed, one of the wealthiest Nicaraguan businessmen living in Miami has invited Lacayo to visit them:

[Businessman Rene Arguello] "Few people have stopped to think about the positive things that have been done since 1990. Consequently, several of us businessmen believe it is necessary to think about Nicaragua's future and break old cliches. We have received Lacayo's full cooperation in this matter."

The government delegation met over the weekend with the Nicaraguan community in Miami, including doctors, politicians, members of the Nicaraguan-U.S. Chamber of Commerce, and Latin American personalities:

[Businessman Alejandro Yanes] "This visit is an important one, because it provides an opportunity to learn about what the government has been doing, to talk with Nicaraguan emigrants who are living in exile, and to get a good idea of what the exiles are asking the Nicaraguan Government to do."

In the presence of approximately 200 Nicaraguans, Lacayo received the keys to Dade County and a plaque from businessmen interested in investing in Nicaragua:

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[Yanes] "If we do not start investing in the country and stimulating others to do so, we will never get out of the hole. Now is the time to start the country's development, so it again can be what it once was—one of Central America's strongest countries."

Property ownership was discussed during the meeting, and progress was made in resolving 28 cases. In addition, the possibility of opening an office in the Nicaraguan Consulate in Miami was discussed. This office would follow up and find a solution for more property ownership cases.

The government pledged in Miami to intercede on behalf of Nicaraguan emigrants before the U.S. President:

[Lacayo] "Our president will talk with President Clinton on 9 and 10 December to request that the special program for Nicaragua be reimplemented and so any Nicaraguans who have to keep living in the United States for some reason can do so with no U.S. Government pressure."

Coinciding with Lacayo's arrival, a Spanish businessman returned to Nicaragua after an absence of 15 years.

[Spanish businessman Cesar Fernandez] "We wish to help the Nicaraguan people even more than before. We are determined to work honestly, to create jobs and enterprises, and to push Nicaragua forward."

Assembly Approves Constitutional Reforms

PA3011042894 Managua LA PRENSA in Spanish 25 Nov 94 pp 1, 12

[Report by Ariel Montoya and Cesar Ubeda Bravo]

[FBIS Translated Text] After a marathon parliamentary session that lasted nearly 18 hours, the National Assembly approved in its entirety the constitutional reforms bill—an event of great importance for the establishment of a state of law and the strengthening of the democratic system.

"Many people thought this moment would never come, but it did. We voted on important reforms to the Constitution; the reforms received solid political support; and this will greatly contribute to Nicaragua's modernization," National Assembly President Luis Humberto Guzman said early today.

With an absolute majority of 72 deputies in favor and five abstentions, at 0130 today the National Assembly approved in its entirety the constitutional reforms bill, which includes a ban on presidential reelection, controls on nepotism, and a 4 percent budget allotment for the judicial branch.

Reforms also were approved in areas concerning the electoral system, the autonomy of the Atlantic Coast, and the Municipal Law. Also, the prohibition on confiscations and military recruitment were among the most important articles that were substantially modified.

"I am proud of this session," Guzman said. He also noted that reformist deputies made a very serious political effort to bring about the necessary consensus for the approval of the constitutional reforms.

"I believe we have issued a very clear message to our citizens, who have seen that the Nicaraguan political class is willing and capable of finding solutions," Guzman stressed.

He added that after last night's session the executive branch will no longer be able to veto these reforms. "The Constitution bans President Violeta Chamorro from vetoing the reforms, because it is clearly established that this is the prerogative of the legislative branch," Guzman said.

Deputies Guillermo Chavarria, Ivan Salvador Madriz, and Frank Duarte, members of the Board of Directors who support the executive branch, had introduced a desperate writ of amparo, which made the plenum decide to extend the session until the early morning hours to prevent the introduction of a possible judicial suspension today, which could have paralyzed the session.

Viewed as one of the most meaningful sessions in assembly history, last night's session will be remembered because of the importance of the reforms to institutionalize the democratic system.

As the assembly worked into the night, those attending the session began distributing soft drinks and hamburgers to the deputies, who were tired but nevertheless shared jokes and ate peanuts and snacks during the short recesses. Some even covertly drank one or two glasses of whiskey (which they openly downed after the session was over to celebrate).

Except for deputies of the Center Bloc and the orthodox Sandinists, the rest of the 92 deputies voted in favor of the reforms.

Deputy Carlos Gallo of the Sandinist Renewal Movement (MRS) said that, through this action, the whole nation will take "a significant and eloquent" step forward in the country's social and economic transformation, approaching a new concept of Nicaraguan society for the future.

Defining 21st Century Society

"What we approved this morning is the greatest thing we legislators could have done to define the modernization of our society in advance of the 21st century," Gallo stressed, without ruling out the possibility that the government and the orthodox sectors could still try to block the reforms.

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Former National Assembly President Alfredo Cesar said the approval of the reforms constitutes an "extraordinary" event in the country's political life. He agreed with Guzman's and Gallo's comments in the sense that the political class was able to reach an agreement on topics that are fundamental to the nation.

"Three quarters of an assembly comprising hostile political forces overcame their partisan interests and approved constitutional reforms, and this brings hopes to the people that the political class is capable of facing challenges and satisfying the citizens' most urgent needs," Cesar added.

He also said he sees no real possibility of the executive branch suppressing the implementation of the reforms.

Cesar, who is also leader of the National Democratic Party (PND), added, "President Chamorro faces her most important opportunity to record in Nicaragua's history her acceptance of true democracy."

In addition, Cesar stressed that a very important sector of Sandinism has shown with its votes that its renewal "is not merely words."

Near the end of the session, Deputy Andres Zuniga submitted a motion to state in the bill that, by approving the reforms, Article 192, which establishes that the partial reform bill should be discussed by two legislatures, was complied with. This was approved by 80 percent of the plenum.

Following the approval of the 21 articles that reform the Constitution, Sandinist Deputy Natan Sevilla asked to have the document state that there were irregularities in the process of approving the reforms, which was condemned by a majority of the deputies.

Failure of the Government and Orthodox Sandinists

Sergio Ramirez Mercado yesterday said the maneuver "orchestrated jointly" by government and FSLN leaders to hinder the constitutional reform process had failed.

The former vice president of the Republic believes "the detractors of the process cannot continue turning their backs on reality," because there are no longer any reasons to argue that the constitutional reforms are unnecessary or unpopular.

Ramirez noted that "personal interests must be put aside," and he added that those who claim the reforms are detrimental to the people have a professed enmity against democracy.

"Orthodox statements (of the FSLN) that the reforms are detrimental to the people further undermine the credibility of the official Sandinist movement," the former head of the Sandinist bloc said.

According to Ramirez, issues such as the continuity of agrarian reform, the establishment of new forms of land ownership, the privatization of health and educational services, free primary and secondary school education, and the existence of state banks to finance agricultural production cannot be detrimental to the people.

He also highlighted other topics, such as reelection, nepotism, the strengthening of democratic institutions, independence of the civilian sector, and integrity in approving taxes and international financial agreements.

"Are all of these topics detrimental to the people?" Ramirez asked, after stating that democracy cannot be viewed as opposing social change and that authoritarianism is not a remedy for backwardness and poverty.

"This is the issue that both the official FSLN supreme leadership and top government leaders should explain to the people, because they are singing the same tune when they refer to the reforms in an unfavorable manner," he affirmed.

According to Ramirez, the National Assembly has reached a historic agreement that has overcome factional and ideological differences, "which means that popular interests and democracy are birds of a feather."

Restrictions Approved

Controversial Article 147 on restrictions was included yesterday in Nicaragua's Political Constitution and was approved on a 72-0 vote with six abstentions coming from progovernment deputies.

"I dare say that even President Violeta Barrios de Chamorro is pleased with this approval, because this was one of the objectives for which her husband Pedro Joaquin Chamorro Cardenal died," UNO [National Opposition Union] leader Luis Sanchez said.

This article received strong support from deputies of various parliamentary forces.

Restrictions for presidential and vice presidential candidates directly concern "relatives of fourth-degree consanguinity or those who are or have been relatives within the second degree of affinity of the person exercising or having exercised the office of president of the Republic at any time during the period in which elections for the ensuing period are being held."

Sanchez noted that UNO parliamentarians are pleased with the strong consensus obtained on the restrictions and the presidential reelection issue.

"It is a victory against those historic vices of the governmental political culture. This is not only a victory for the deputies, but for all Nicaraguans who love peace," Sanchez said.

The article establishing no presidential reelection says there cannot be a reelection of anyone who holds or has held the office of president of the Republic at any time during the term in which elections for the next term are held, or of anyone has held the office for two presidential terms.

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During the legislative debate, the name of Antonio Lacayo came up, with some deputies defending his right to be a presidential candidate in 1996.

Sandinist Deputy Omar Cabezas presented a motion calling for the article on the restrictions to be delayed and to go into effect in 2001. Nevertheless, 62 votes overwhelmingly rejected this motion.

The leader of the Sandinist wing emphatically opposed the motion. Tellez said: "It would be a disgrace to include a delay on the restrictions, because the constitutional reforms have not been made for one person. Nepotism has historically been harmful to the entire nation."

According to Tellez, a campaign has been waged against the constitutional reforms simply because they do not please Lacayo. She said: "If the restrictions did not exist, Lacayo would have nothing to say about these reforms."

For her part, Miriam Arguello of the APC [Conservative Popular Alliance] said nonreelection and the restrictions are "ironclad principles" that will prevent the establishment of dynasties.

Humberto Castillo of the PRN [Nicaraguan Resistance Party] said he supported the constitutional restrictions because they are historic demands of the Nicaraguan people.

"Dr. Pedro Joaquin Chamorro Cardenal died in order that there would be no reelection or family succession. Let us commit ourselves to that patriotism," Castillo said.

Meanwhile, the deputies who supported the partial reforms of the Constitution rejected the constitutional writ of amparo that the progovernment members of the assembly's Board of Directors filed with the Managua Appeals Court.

Frank Duarte, Ivan Salvador Madriz, and Guillermo Chavarria filed the writ because they felt that legislative procedures were violated when these constitutional reforms were introduced for debate without a quorum of the Board of Directors.

According to notable legal experts, including Carlos Tunnermann, Sergio Garcia Quintero, and Alejandro Serrano, the plenum of the National Assembly is sovereign and can decide the legislative topics to be discussed.

"This writ of amparo has no legal grounds. It is a political move, because at no time have we violated the country's Constitution," Reinaldo Antonio Tefel, first vice president of the National Assembly, said.

Tefel said the approval of the constitutional reforms early this morning was a "moral" response to these threats of constitutional challenges.

Luis Sanchez Sancho said that, once the constitutional reforms are approved, "the Managua Appeals Court has nothing to suspend."

"The legal rule, according to the Amparo Law, is that if there is a challenge based on a violation of some constitutional norm, the court could, as an initial decision, order the suspension of the action. But in this case, there has been no violation and it cannot suspend anything because the constitutional reforms have already been approved," he stressed.

According to Sanchez, this challenge must be declared inadmissible because it cannot have any effect on the constitutional reforms.

Future Army Chief Vows Not To Meddle in Politics

PA3011021994 Managua Canal Cuatro Television in Spanish 0400 GMT 29 Nov 94

[From the "Extravision" newscast]

[FBIS Translated Text] The future chief of the Army has reiterated that he will not meddle in politics and that he will manage in his own personal style. High-ranking leaders of the National Army headed by their future commander in chief, Major General Joaquin Cuadra, placed a floral wreath at the Monument of the Soldier of the Fatherland. Thirty days before his appointment by the president of the Republic, who is supreme commander of the Armed Forces, Maj. Gen. Cuadra reiterated he will follow a professional line and will not meddle in party politics.

[Begin Cuadra recording] The institution's policy is not to meddle and not express opinions about all the political developments in the country. Nevertheless, we have great responsibilities that we share with different sectors of the country. We are committed to move this country forward. Therefore, opinions will be expressed at the times they should be given and with the appropriate discretion and maturity, but without hindering anyone and without meddling in politics. [end recording]

The major general reiterated he will make changes when he takes command in February and that he will apply his personal style to the military institution.

[Begin Cuadra recording] Each chief has his own style—his own personal style. Gen. Ortega has his and I have mine. The important thing here is that the overall guidelines for the professionalization of the Armed Forces are well-defined. These guidelines do not change from one week to another. They are plans and programs that are developed over many years and the chief only applies his personal style according to his own characteristics. [end recording]

Panama

President Views Constitutional Title on Canal

PA3011011194 Panama City Circuito RPC Television in Spanish 2300 GMT 28 Nov 94

[From "The RPC Television News" newscast]

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[FBIS Translated Text] The repeal of the gag laws, the socioeconomic development plan, and the constitutional title, which was approved recently, were the topics, among others, discussed by the president of the Republic during his tour of Chiriqui Province.

After several weeks of avoiding contacts with the media, President Ernesto Perez Balladares made statements saying he believes the recent approval of the constitutional title on the Canal is advisable. He said, however, the document has its defects, but he avoided giving further details in this regard:

[Begin Perez Balladares recording] It is not the constitutional title I would have proposed. I would have preferred greater brevity, and I would have preferred the elimination of some of the things that were included there, but the title has already been approved. [end recording]

More important than the constitutional title is the message of seriousness and continuity in the pursuit of our national objectives that was sent to the international community, as well as the message the Canal will be managed efficiently according to the president:

[Begin Perez Balladares recording] For example, the preapproval requirement by the Comptroller General's Office is eliminated. In addition, the existing methods used in the Panama Canal will be maintained, because they have proven to be efficient. The government and the Legislative Assembly are called upon to produce before 31 December 1999 the necessary laws for running the Canal; otherwise, existing laws that have not been replaced by national laws will be maintained. [end recording]

President Perez Balladares has said the repeal of the gag laws contained in a bill approved in a Cabinet Council meeting in Boquete, Chiriqui Province, seeks more than anything else the decriminalization of libel and slander so as to dismiss media fears over the state's interference in their duty to inform:

[Begin Perez Balladares recording] The intention is not to imprison anyone, but we want there to be media responsibility. Consequently, we have removed crimes of libel and slander from the penal context. There should only be civilian complaints. [end recording]

The president has said the document has nothing to do with the regulation of the journalists' profession, which will be an issue covered in another bill.

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Argentina

Menem Interviewed on Summit Positions, Cuba

PA2911152894 Mexico City XEW Television Network in Spanish 0430 GMT 29 Nov 94

[Interview with President Carlos Menem by Jacobo Zabludovsky via satellite from Buenos Aires; from the "24 Hours" newscast—live]

[FBIS Translated Text] [Zabludovsky] Good evening, Mr. President.

[Menem] Good evening, Jacobo. How are you?

[Zabludovsky] Very well. Thank you for granting us this interview. To begin, I would like to ask you, Mr. President, what the expectations are for the Miami Summit?

[Menem] The expectations are good. Every time this type of meeting has been held, we have praised it. I hope the issues presented by the presidents will be dealt with more intensely at this meeting. These issues involve trade, sustainable development, democratization of the hemisphere, and the integration process of the regions seeking hemispheric integration. These issues will be on the agenda. Some are specifically included, while others will emerge from the debates.

[Zabludovsky] Mr. President, will you present a particular position on Cuba to your colleagues?

[Menem] Yes, Argentina has presented its position at all the meetings. I read some remarks by some of my colleagues who said that this position should not be presented in the absence of the head of state of the nation that does not live in democracy. Nevertheless, Argentina has held this position on many occasions when Commander Fidel Castro, Cuban chief of state, has been present. I respect him very much, but I respect the people even more than their leader. That holds true for any part of the world. We are the result of our people. When those people do not have democracy, when they do not have freedom, there is no respect for human rights. Therefore, the least we can do—those of us who have experienced the same situation, shorter of course, who have had to fight with the voice of democracy in our nations, even from jail—is to ask for an equal solution to this type of problem, such as the one in Cuba or previously in Haiti.

[Zabludovsky] Mr. President, in three days we will have a new president in Mexico, Mr. Ernesto Zedillo. Have you had personal contact with him?

[Menem] I spoke with him after he won the elections. I wished him luck, a wish that I will reiterate on his inauguration day as I expect to attend that significant event.

[Zabludovsky] We will be happy to have you here, Mr. President. It will be an honor.

[Menem] It will an honor for me as well.

[Zabludovsky] Next week, then, we will meet in Miami, Florida.

[Menem] Yes, next week in Miami, and later on 31 January 1995. As president, I will attend the opening of the UN Security Council since Argentina is assuming its presidency.

[Zabludovsky] Thank you very much for this interview, Mr. President.

[Menem] Thank you, Jacobo, and lots of luck.

Menem Announces 'Priority' Space Development Plan

PY3011101594 Buenos Aires TELAM in Spanish 1904 GMT 28 Nov 94

[FBIS Translated Text] Buenos Aires, 28 Nov (TELAM)—President Carlos Menem announced today that Argentina will place its first satellite intended for scientific applications—called SAC B—into orbit between April and May 1995. The project is being implemented in cooperation with NASA, Italy, and Brazil.

The head of state stressed that the government will give its full support to space activities in Argentina, adding that the 1995 budget allocates 70 million pesos to this area.

"A country's greatness is not based solely on economic aspects. It is also based on new proposals in space and science and technology," Menem said.

The president gave a speech during today's launching of the National Space Plan at Government House's White Hall. Attending were Foreign Minister Guido Di Tella, Buenos Aires Mayor Jorge Dominguez, national legislators, and scientists.

During the ceremony the president signed Decree 2076 approving the National Space Plan and declaring the activity a "national priority."

Conrado Varotto, head of the National Space Activities Commission (CONAE), said the plan "defines a framework that will orient investments and scientific activities and make it possible for Argentina to reach outer space with its own means and instruments."

Therefore, "we will concentrate our best efforts on participating in the best programs together with the community of countries that dominates these technologies," Varotto said.

Menem stressed that the plan's implementation is "a requirement of our times," including it among the new proposals that aim at reforming and modernizing the country in order to join "a world that advances very rapidly."

Menem recalled that the government designated 1995 as "the year of culture and science and technology," adding

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that the budget allocated "$10 billion, a record for the country" for education and culture.

Menem said health will receive "more than 6 billion pesos," affirming that "the budget allocates 51 billion pesos to social programs during 1995."

"With these figures I want to emphasize that the government should not be solely concerned with economic aspects, which are very important; it should also encourage this type of new proposal," Menem said.

The president said "a country's greatness does not depend solely on economic aspects, its geographical extension, or its military power. It also depends on knowledge and its scientific and technological expertise."

Varotto held a news conference later on. He said "the entire space activity of the country will gradually concentrate" in the Cordoba town of Falda Del Carmen, where the Condor was being developed.

Varotto said an advanced institute on space activities will be developed in Falda del Carmen, adding that "a large percentage of the industrial infrastructure already installed will be rehabilitated."

Satellite SAC B will be launched from NASA's Base Wallops Island in May 1995. Scientists will use the Pegasus XL rocket, a large craft that will carry the Argentine satellite in the "belly."

The satellite will be placed in orbit at a height of 550 km and 38 degrees inclination for a three-year period.

Chile's Figueroa Visits To Mark Treaty Anniversary

PY3011014194 Madrid EFE in Spanish 2021 GMT 29 Nov 94

[FBIS Translated Text] Buenos Aires, 29 Nov (EFE)—Chilean Interior Minister Carlos Figueroa arrived in Buenos Aires today at 1950 to participate in the commemoration of the 10th anniversary of the signing of the Peace and Friendship Treaty between his country and Argentina.

The Chilean official told reporters that the treaty, "signed under the holy father's inspiration," was the cornerstone of the two countries' new relations.

Figueroa was received at the Jorge Newbery Airport by Argentina's Foreign Minister Guido Di Tella. The two officials drove from the airport to Government House, where President Carlos Menem was expecting Figueroa.

The anniversary of the Peace and Friendship Treaty is commemorated simultaneously in Santiago and Buenos Aires with a thanksgiving Te Deum in the two countries' national cathedrals.

Menem, Chile's Frei Mark Anniversary

PY3011141494 Buenos Aires TELAM in Spanish 2341 GMT 29 Nov 94

[FBIS Translated Text] Buenos Aires, 29 Nov (TELAM)—Argentine President Carlos Menem and Chilean President Eduardo Frei today commemorated the 10th anniversary of the signing of the Peace and Friendship Treaty that put an end to the Beagle Channel conflict.

The treaty was achieved through the mediation of the Vatican, and therefore the two government today sent a letter of thanks to Pope John Paul II.

Masses were said in the cathedrals of Buenos Aires and Santiago as part of the program that was agreed upon by the two governments.

President Carlos Menem and President Eduardo Frei headed the official delegations participating in the masses, which were celebrated simultaneously in the two capital cities.

In a letter addressed to his Chilean colleague, Menem termed the treaty a "fundamental" event "in the shared history of the Argentine and Chilean peoples."

He stated that the treaty "made possible the joint undertaking of the unavoidable process of integration and greatness."

In a similar form, Frei highlighted "the spirit of integration with Argentina that inspires my government and the people of Chile."

The official mission of the Chilean Government is headed by Interior Minister Carlos Figueroa Serrano, who some hours beforehand had been met by Foreign Minister Guido Di Tella at the metropolitan airport.

The Chilean minister highlighted the importance of the treaty, and recalled that with its signing Presidents Raul Alfonsin and Augusto Pinochet put an end to the dispute over the Beagle Channel, which nearly led the two countries to the brink of war.

"This treaty," he added, "has led us to a level of relations that was really unthinkable 10 years ago, and through it Argentines and Chileans have started irreversibly down the road toward integration."

Menem and the Chilean minister walked from Government House, where they had a short meeting, to the Metropolitan Cathedral.

The minister also stressed that during his visit he hoped to meet with former President Raul Alfonsin, a signer of the important treaty.

When he was asked about the recent decision on Laguna del Desierto, which favored Argentina, the Chilean minister said that Chile "is studying the court's decision, but only its legal side."

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Regarding the possibility of Chile joining Mercosur [Common Market of the South], Figueroa said: "We are negotiating, and we are closely following its evolution, but I do not believe that there is anything new to add on the topic."

Figueroa was ambassador to Argentina during the administration of Patricio Aylwin, was foreign minister during the first months of the Frei administration, and afterward took over the Interior Ministry.

Brazilian Tariff Reduction on Fabrics Condemned

PY2911191394 Buenos Aires TELAM in Spanish 1955 GMT 28 Nov 94

[FBIS Translated Text] Buenos Aires, 28 Nov (TELAM)—Rodolfo Beccarini, manager of the Chamber of Fiber Manufacturers, has reported that Brazil has unilaterally changed its custom tariffs on synthetic fabrics and related chemicals, just one month before the Mercosur [Common Market of the South] is due to go into effect. These changes severely harm Argentine manufacturers who export their products to Brazil.

Beccarini said: "The Brazilian Government cannot unilaterally establish an internal price policy just 30 days to go before the implementation of the common market." He added: "The rules of the game have been clearly laid out and if they want to lower the tariffs on certain goods, they should include them in the lists of exceptions from the Common External Tariff (AEC)."

Beccarini emphasized: "The Brazilian decision seeks to reduce domestic prices, but it clashes with certain agreements that we reached with Brazilian fiber manufacturers."

He explained that the Argentine textile industry, besieged by the local crisis, refurbished its equipment to take advantage of the Brazilian market "but is now being harmed by cuts in custom tariffs from 14 percent to zero on some products, and from 14 percent to two percent on others."

Beccarini said: "We have asked for a meeting with Alejandro Mayoral, under secretary for economic policy of the Argentine Economy Ministry, and with Foreign Ministry officials today to explain how serious the situation is."

He said Brazil has already submitted 233 exceptions from the AEC, and has reduced tariffs on many more items than the 67 to which it is still entitled. This means Brazil will exceed the 300 exceptions allocated to Mercosur's larger partners. He added: "The resolutions lower the tariffs on a number of products, but do not explain how this will fit within the framework of Mercosur."

Beccarini was talking about Resolutions 615 and 616 of the Brazilian Economy Ministry which apply to Argentine synthetic fibers, 40 percent of which (worth $80 million) are exported to Brazil. The measures also apply to certain types of textile equipment. These resolutions benefit manufacturers outside the Mercosur, especially Mexico, Venezuela, and Colombia, which will now be able to offer Brazil better terms.

He added: "At the same time they have increased our costs through their Resolution 2120, by which chemicals they produce will continue to pay 15 percent export duties until 31 March 1995." Beccarini also reported: "Brazilian manufacturers have asked for a meeting with Economy Minister Ciro Gomez because they have made investments and are now faced with a reduction of custom tariffs in response to a price increase prompted by international factors."

Beccarini explained that Argentina was going to produce the monomers needed to produce synthetic fibers "at its petrochemical complex, but never got around to it and now Brazil produces them."

He emphasized that the Argentine Government supported the manufacturers who, together with their Brazilian counterparts, asked for low import duties on chemical components, but the Brazilian Government insisted that duties be kept at 14 percent.

"Now, all of a sudden, the Brazilian Government has reduced these duties to 2 percent, clearly showing that Brazil does not produce enough to supply all Mercosur needs."

Ambassador to UK Criticizes Falklands Policy

PY2911165694 Buenos Aires CLARIN in Spanish 25 Nov 94 pp 19, 75

[Article by Mario Campora, ambassador to the United Kingdom]

[FBIS Translated Text] In a recent article, the foreign minister expounds on his "strategy to seduce" the Kelpers and thus recover the Malvinas Islands; an issue of great national interest.

With a similar goal in mind—and for obvious reasons—I would like to add my assessment on the Malvinas issue as it stands now, within an informative perspective, and duly observing the rules of discretion that apply to this case.

President Menem's decision to reestablish diplomatic relations with the United Kingdom revealed two clear objectives in Argentina's foreign policy. First, to develop cooperation ties between the two countries. Second, to resume—within a new context—the century-old evergreen claim to sovereignty over the Malvinas Islands and the other South Atlantic islands. I believe it is possible to achieve both objectives if the right path—which must be planned by the Argentine diplomacy—is pursued. The objectives must be clearly viewed and the path must be carefully planned; if not, one may go astray and end up on the wrong side of the fence.

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Avoiding Confusions

I believe it is essential to distinguish between "foreign policy objectives" and "diplomacy" so as to avoid confusion.

Diplomatic actions to reestablish Argentine-UK cooperation have succeeded, as demonstrated by British investments in our country, increased bilateral trade, tourism in both directions, scientific cooperation programs, and cultural and sports events sponsored by key private enterprises interested in breathing new life into the bilateral ties. Increased levels of trade mission and official visit activity demonstrated the improvement in bilateral relations.

All this was crowned by two events that are by no means circumstantial: the unveiling of monuments in honor of [General Jose de] San Martin [1778-1850, the liberator of Argentina, Chile, and Peru] in London and [George] Canning [1770-1827, UK foreign secretary who influenced Argentine historical development during its early independence period] in Buenos Aires.

The present democratic institutions and economic stability are responsible for the interest in our country. Concerning the specific case of the Argentine-British relationship, it was also necessary to create a favorable atmosphere. Clear, straightforward, and unequivocal talks on interests that each side wants to protect was the only way to achieve this favorable atmosphere.

Above all, we must now congratulate ourselves on the firm stand demonstrated by the two sides in keeping the bilateral cooperation relationship separate from talks about the controversy. Each one of these issues benefits the other. It is senseless to try to blend them. Historically, these two issues had been kept separate until 1982 when they were blended together, with the serious consequences we all know.

The foreign policy objective pointed out by the president of the Republic to recover the Malvinas Islands peacefully—now included in the Constitution—requires an imaginative and agile style of diplomacy, especially one that includes a clear message. In other words, the goal of recovering the Malvinas Islands and exerting effective power over the South Atlantic, whose great significance for our country is also obvious, must be clearly expressed. If London receives a vague message from Argentina, it may believe we are resigned to the current situation.

The opposing principles, in support of our position and that of the UK, are well known. While we support the territorial wholeness principle—the Malvinas Islands were part of the territory that Argentina acquired from Spain—the United Kingdom supports the principle of self-determination of the Malvinas inhabitants, which places in their hands the acceptance or rejection of Argentine sovereignty.

The "strategy to seduce" implemented over the past four years has allowed the islanders to play a key role:

Let's review this point:

We agreed to the air bridge with Chile and Uruguay;

We heeded their concerns over fishing;

We limited our fishing catch, thus favoring international prices;

We withdrew bids for oil prospecting sections near the islands;

We accepted the islanders' special status, involving their way of life, and a monetary compensation has recently been offered.

Unsatisfactory Balance

A review of the "strategy to seduce," four years on, does not particularly favor our country:

Argentine passengers are not allowed to disembark from tourist ships visiting the Malvinas Islands;

Airlines linking the islands with Punta Arenas and Montevideo are not allowed to make stopovers in Argentina;

A poll on the opinions of the islanders has been optimistically received by those sponsoring it and rejected by the Malvinas Islands authorities.

In short, the islanders' coolness toward Argentina has not declined significantly, and they are clearly saying: It will not decline until Argentina gives up its claims.

All this would be unimportant but four years of "seducing" have passed while the United Kingdom has gradually advanced, improving its effective jurisdiction and implementing a legislation applicable to the area it controls.

There was a successful Argentine response in November 1990 when the United Kingdom announced it was extending the 150-mile limit—which was originally established when the exclusion zone was created in 1982—to 200 miles, the exclusive economic zone allowed by international law. [Current Economy Minister Domingo] Cavallo, who was foreign minister at that time, reacted and, in a huge and intelligent diplomatic effort, managed to establish a 50-mile bilateral fishing-free ring. It was an encouraging demonstration of prospects for direct diplomacy with the United Kingdom.

What Happens Now

What is the true situation now?

The United Kingdom has decided to allow fishing activities within the [50-mile] ring, under its control;

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The United Kingdom has decided to establish a 200-mile exclusive economic zone around the Georgias Islands and to regulate fishing;

The United Kingdom has opened bids for seismic oil prospecting and the work has begun;

The United Kingdom has passed legislation to explore and exploit next year the reserves that are established;

Other measures could be mentioned, but I believe these are enough.

It is not advisable to pursue this "strategy to seduce" because it has conveyed a lukewarm attitude toward Argentine interests in the South Atlantic.

To correct this message, the Constituent Assembly transformed this permanent and irrevocable objective of the Argentine nation into a constitutional provision.

I hope diplomacy will observe the Constitution.

Man Claims To Know Perpetrators of AMIA Bombing

PY3011014594 Asuncion ABC COLOR in Spanish 29 Nov 94 p 78

[All names as published]

[FBIS Translated Text] Wilson Roberto dos Santos, a "male prostitute," asserted that he had lived for months with a group of Iranians and Palestinians who are responsible for the anti-Semitic attack on the Argentine-Israeli Mutual Association (AMIA) headquarters in Buenos Aires this past July. Dos Santos contended that Argentine authorities paid no heed to his prior warnings.

Dos Santos, 39, told the weekly ISTOE that he got involved with an alleged Iranian prostitute—who turned out to be a terrorist—in Buenos Aires, and that he witnessed the preparations for the attack perpetrated on 18 July, which caused the death of 90 people.

The Brazilian even reported that several of their suitcases containing video-games—so they said—cleared customs without any problem thanks to a contact he had at Brazilian customs. Later, however, he came to the conclusion that the suitcases may have contained parts of the bomb planted at the AMIA headquarters.

Dos Santos explained that when he learned that the group intended to perpetrate an attack on the Israeli institution in Buenos Aires, he contacted Argentine and Israeli diplomats to alert them to this plot, but none of them took him seriously.

ISTOE reported that in order to reconstruct Dos Santos' story, reporter Mario Chimanovith recently traveled with him to Buenos Aires, where the Brazilian testified on his own accord for 10 hours before the Special Corps for Protection of Constitutional Order (CEPOC) on 17 November.

The Brazilian magazine notes that "in the early hours of 21 November, Dos Santos vanished from the Embajador Hotel, located in downtown Buenos Aires, and reappeared two days later at the Brazilian Consulate, quite frightened, to request protection to leave Argentina."

According to ISTOE, Argentine authorities suspect that Dos Santos had something more than an accidental contact with the terrorist group and that the lure of easy money led him to work as a "courier."

Dos Santos, who worked as a prostitute in Buenos Aires, said he became involved with an alleged Iranian colleague, Nasrin Mokhtari, who used the name of Isabela and had Argentine, Iranian, and Lebanese passports.

In April 1992, Dos Santos met Isabela-Nasrin and then he started having an affair with her that would take him to several countries throughout the world. There, as well as in Buenos Aires, he witnessed the preparations for the attack on the AMIA headquarters.

After having been with Isabela-Nasrin for some time, Dos Santos met a friend of hers, Ali (who may be the Palestine terrorist Ali Salim or Ali Adwa), with whom he traveled to Ciudad del Este, Foz do Iguacu, and Puerto Iguazu, border towns in the border area between Argentina, Brazil, and Paraguay, at the end of August 1992.

Brazilian Termed 'Valid Witness'

PY3011135794 Asuncion ABC COLOR in Spanish 30 Nov 94 p 75

[FBIS Translated Excerpt] The Brazilian Wilson Roberto dos Santos, who claims to know the perpetrators of the bomb attack against the Argentine-Israeli Mutual Association (AMIA) in Buenos Aires, is a key man for the investigation because he has information that was being handled confidentially by Southern Cone investigators. This was stressed by Police Principal Superintendent Enrique Martinetti, when he indicated that Dos Santos is probably a valid witness who could be very useful to the Argentine courts.

Martinetti, chief of the Intelligence Department, said that "this person revealed names that were already known to our police. The information that he has is startling. He seems to be a valid witness." Martinetti was commenting on the statements made by Wilson Roberto dos Santos, who stresses that he knows the terrorists who attacked the seat of the AMIA with bombs on 18 July in Buenos Aires, when over 100 persons died.

According to the police chief, Dos Santos surprised everyone in revealing the names of the persons who were under the scrutiny of the police forces of this part of the continent.

"He is an important element and is the first person to surface as a possible witness. He mentioned names (such as those of Ali Slim and the Iranian Nasrin Mokhtari) [names

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as published] that we had obtained in one way or another. I believe he is a valuable element for the Argentine courts," he said.

"It seems that he did not give false information. This man has definite, true details, and his security must be well looked after," the police chief said. Martinetti indicated that there is already a price on the Brazilian's head among Arab terrorists, and this is why the Argentine courts and even the neighboring country's government should be concerned about Dos Santos' security.

Martinetti indicated that the fundamentalist groups such as Hizballah, Hamas, and the Islamic Jihad have trained armed groups that are used to killing in the name of what they call "the struggle of the Arab people." [passage omitted]

Buenos Aires Province Opens Duty Free Zone

PY2911153794 Buenos Aires TELAM in Spanish 1926 GMT 28 Nov 94

[FBIS Translated Text] Buenos Aires, 28 Nov (TELAM)—Buenos Aires Province Governor Eduardo Duhalde said today that the creation of a duty free zone in the neighborhood of La Plata signals the start of the export revolution in Argentina.

The provincial governor made this as he officially opened the duty free zone of Buenos Aires Province. The ceremony was held at the House of the Province of Buenos Aires in the Federal Capital.

Duhalde said: "The main function of this duty free zone is to put farmers, industrialists, and agro-industrialists in touch with world markets."

He said: "Over the past 3 years, Argentina has become the country with the largest productive growth in the West, and now we need an exporting revolution to consolidate the process."

Also present at the ceremony were Mario Cafiero, the president of La Plata Duty Free Zone Organization; former Governor Antonio Cafiero, whom Duhalde lauded for the impetus he gave the project during his tenure; and Government Secretary Orlando Caporal.

The duty free zone is an area where commerce, industrial processes, and services are conducted without paying taxes, utility rates, customs duties, or any other limitation.

The zone comprises 210 hectares of coastal land near La Plata Port. It is divided into a 50 hectare urbanized area and 160 hectares kept for the creation of subsidiary duty free zones.

Enterprises working within the zone may conduct their businesses within a framework of economic freedom and deregulation, and with assistance in the exchange of trade.

The duty free zone will be administered by private concession, who will also handle the construction and exploitation of its container terminal.

The concession will be granted by the state through a national and international bid that will be called during the first 3 months of 1995. The contract will be for 25 years and may be extended.

In his speech, Duhalde termed "a distortion of the export capability of the province" the fact that "70 percent of sales abroad are promoted by only 68 enterprises."

After the official ceremony, with the participation of some 100 businessmen interested in the advantages of the undertaking, Duhalde signed assistance and cooperation agreements with the International Business Center.

The agreements were signed by Cesar Tortorella, the head of the General Industrial Federation (CGI); Diego Perez Santisteban, of the Chamber of Importers of the Argentine Republic; and Enrique Mansilla, of the Chamber of Exporters.

Rogelio Simonato, of the National University of La Plata; Marcelo Lascano, of the Bank of the Province; and Rogelio Pietrantueno, president of the Argentine Industrial Confederation (CAI), also signed the agreements.

Cafiero said: "The International Business Center will efficiently administer the system because it will provide the valid support need by enterprises to engage in international commercial activities."

Bolivia

Official Report Shows 'Weakening' of Drug-Related Economy

PY2911191094 La Paz HOY in Spanish 20 Nov 94 p 6

[All figures as published]

[FBIS Translated Text] Official figures show the influence of the coca-cocaine related economy on the Bolivian GDP has dropped in less than six years from 8.5 percent to 2.9 percent, within the Bolivian economic structure.

An official report prepared before the executive branch submitted its antinarcotics program to the Paris Consultative Group, states that "the total direct added value of the coca sub-economy dropped from $425 million in 1988, some 8.5 percent of the GDP, to $176 million, 2.9 percent of the GDP."

Bolivian drug enforcement organizations believe the reason for this economic phenomenon is the drop in drug trafficking in Bolivia following the systematic struggle against national and international drug rings.

The report states: "Income from illegal sales of the coca that remains in Bolivia dropped from $279 million, 5.6 percent of the GDP, to $119 million, 1.9 percent of the GDP, during the same period."

Analysts and observers, among them Deputy Ricardo Paz of the opposition Condepa [Conscience of the Fatherland],

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believe the impact of the coca-cocaine economy is still significant, due to the legal ways to launder dollars through financial enterprises.

Pachacuti Axis Deputy Ramiro Barrenechea believes the laundering of dollars in international financial enterprises exceeds $600 billion, of which only $600 million reach Bolivia.

The report adds: "Export values followed the same tendency, dropping from $453 million in 1988—84 percent of all Bolivian exports—to $171 million in 1993, some 24 percent of all exports."

The government admits: "The reasons for the drop are: First, the drop in the price of coca and its by-products and, second, more effective interdiction."

The official report states: "The illegal coca crop in Bolivia totals 71,447 metric tons from 47,200 hectares between Chapare and Yungas, which is some 20 percent of the world production."

"Its estimated market value in 1993 was $82 million, some 8 percent of the added value of the Bolivian agricultural sector."

The figures show the net added value of further stages of the coca leaf process (cocaine paste and hydrochloride) is estimated at $95 million, 9 percent of the added value of manufactured goods.

The report asserts: "Net cocaine production is estimated at 72 metric tons during 1993, some 7 percent of world production. Additional, cocaine paste exports to Colombia and other places contribute another 7 percent."

The report states: "Although the coca-related sub-economy generates a certain economic activity, it has very few and weak direct links with other sectors of the economy. The coca "industry" requires very few local products, and cocaine is not used in other industries."

The document asserts that "each dollar obtained from cocaine paste and cocaine exports requires the investment of only three cents in local goods and services, compared to 13 cents in the agricultural sector, and up to 23 cents for production in other sectors of the economy."

Government To Privatize 72 Small State Companies

PY2911213494 Cochabamba LOS TIEMPOS in Spanish 19 Nov 94 p B4

[FBIS Translated Excerpt] Jorge Harriague, the Public Companies Reorganization Division director, has reported that besides the capitalization of the six largest state companies, progress is being made to privatize 72 small state companies. They are practically ready for sale. The evaluation study is over and the first sale will be held later this year.

The bulletin "CAPITALIZATION MONITOR," which is published by the Finance Ministry, states that of the 72 state companies to be privatized, 59 belong to regional development corporations, eight to the departmental prefectures, and the remaining five are under the jurisdiction of the Industry and Commerce Secretariat. Government spokesmen said the privatization will directly favor the regions where the companies are located. The privatization proceeds will be invested in social projects in those regions. [passage omitted]

Brazil

Officials Expect U.S. GATT Approval To Help Summit

PY2911163594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Nov 94 p A5

[Article by Moises Rabinovici]

[FBIS Translated Text] From 9 to 11 December, Brazilian President Itamar Franco and President-elect Fernando Henrique Cardoso will join the Brazilian tourists who are already invading Miami to do their Christmas shopping. They will go to Miami to discuss the creation of a gigantic free trade area from Alaska to Tierra del Fuego with 33 heads of government from the Americas and the Caribbean. Only Cuban leader Fidel Castro has not been invited by President Bill Clinton.

The Brazilian Foreign Ministry estimates that Franco and Cardoso, who will take a special flight to Miami and will stay at the fancy Fontainebleau Hilton hotel, will be accompanied by six or seven advisers. Franco and Cardoso came close to not traveling together in light of Franco's irritation over the White House's hasty decision to invite Cardoso personally. Although he will be traveling as a guest of the Brazilian president, Cardoso will be entitled to meet with Clinton alone.

The Christmas with hemispheric free trade, as proposed by "Rich Uncle" Bill Clinton a year ago, is still a distant prospect. Perhaps it will not even materialize by the year 2000, as Argentina would like. Because of the lack of a preliminary general agreement, diplomats who are negotiating at a Virginia estate have not yet been able to define the declaration to be signed at the summit. According to Vera Barrouin Machado, the Brazilian consul in Miami, the situation can be summed up as follows: "OK, let us create a trade bloc. Now how? When? Which priorities should we have?" For instance, the United States, Mexico, and Canada—as members of the North American Free Trade Agreement (NAFTA)—two weeks ago in Indonesia set the year 2020 as a deadline for tearing down trade barriers with their Asian counterparts.

Peter Hakim, president of the Inter-American Dialogue, said: "If it fails to set a date, the Miami declaration will be a failure."

The agenda of the Brazilian president-elect will be full of events related to the Summit of the Americas. It already includes a 15-month schedule of meetings for new negotiations among experts, a meeting of commerce ministers in

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June 1995, and another one in March 1996. The main hurdles in the negotiations stem from environmental safeguards and mandatory labor conditions applicable to all trade agreements. "This is causing a great deal of anxiety," Ambassador Paulo Tarso Flecha de Lima told AP. A Brazilian Foreign Ministry official said: "The summit may become very important, or less hollow than expected."

Substantiating his above remark, the Brazilian official added: "The U.S. Congress is going to ratify the Uruguay Round of the GATT agreement in the next few days, thus untying President Clinton's hands and enabling him to assume commitments."

Mack McLarty, former chief of the White House staff and coordinator for the Summit of the Americas, believes that it would be feasible to move ahead of the final integration between the Americas and the Caribbean by simplifying customs regulations and by encouraging the inflow of capital. The Miami declaration is expected to focus on issues related to the environment, education, health, drug enforcement, poverty, and corruption. A Brazilian diplomat said: "The meeting will be officially devoted to trade, but it may catch fire with the Cuban issue."

Politicians' Link to Colombian Drug Dealers Viewed

PY3011022094 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Nov 94 p 3

[Article by Andre Lozano]

[FBIS Translated Text] The Amazonas Federal Police [PF] are investigating the connection between Brazilian and Colombian traffickers and politicians who are close relatives.

PF Superintendent Mauro Sposito has said that Leticia-Tabatinga drug traffickers might be looking for political support, seeking to secure positions within the legislative and executive branches, in order to guarantee the privileges favoring international transactions.

A secret PF dossier, to which the FOLHA News Agency had access, reveals that Amazonas politicians and candidates are relatives of the main drug traffickers of the region.

The document mentions two families: the Graca's (Brazilians), and the Guzman's (Colombians).

In Brazil, Antonio Graca, aka Curica—who is at large—is the drug trafficking chief of the northern region.

In Colombia, Vicente Rivera Gonzalez is the Leticia cartel chief.

Curica is the cousin of Benjamin Constant Mayor Floriano Graca (PMDB) [Brazilian Democratic Movement Party]. His sister Alcira was arrested in Portugal in 1990 while carrying 200 kg of cocaine.

According to the Portuguese police, the package in which the drug was found carried paper bearing the "Irmaos Graca Ltda" and "Floriano Ramos Graca - Mayor" letterheads.

In 1990, Floriano Graca had not yet been elected mayor.

The mayor said he has nothing to do with his cousin's business. "I never became involved in drugs."

In Manaus, the representative of the Graca family is Manuel Tavares da Graca, who failed to win a state deputy seat for the PP [Popular Party].

Jose Tavares da Graca's brother Paixao, who was arrested in August 1993 in Belem (Para) carrying 435 kg of cocaine, is also cousin to Curica and Floriano Graca.

The link between the Colombian and Brazilian families is Carlos Alberto Guzman Graca, who was arrested in 1992 in Manaus. He is Curica's cousin.

The Guzman family is running a candidate for the post of Leticia mayor—William Guzman, aka Pitu Cano.

Manuel da Paixao Tavares da Graca, who ran for state deputy for the PP in the last elections, admitted that he is a relative of the drug trafficking bosses of the Amazonas region who are being investigated by the Federal Police.

"Jose Tavares is my brother and Curica my cousin, but neither I nor Floriano (the Benjamin Constant mayor) are linked with the businesses of those persons."

He claims that he received neither political nor economic support from his relatives involved in drug trafficking. "My campaign was poor," he said. He was not elected.

Paixao says he can easily move across the Colombian border. He was born in Benjamin Constant and moved to Manaus in 1980.

"I have many friends in the border area. At the time votes are cast, no one asks voters for their record," the former candidate said, referring to voters who might be involved in drug trafficking in the region.

Editorial Highlights Mercosur, EU Integration

PY2911204594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Nov 94 p A3

[From the "Notes and Information" page: "Mercosur and the EU"]

[Text] Any doubts remaining about the exclusive nature of Mercosur [Common Market of the South] in relation to countries or blocs outside the region were dispelled during the preliminary negotiations between the foreign ministers of the four Mercosur member countries and the president of the EC. Discussions on the complex technical details concerning the creation of a free trade zone encompassing 20 countries will begin in February. The two economic blocs will thus begin to lay the groundwork for links to simplify and intensify trade. Because initially successful economic integration processes cannot be left stranded in

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their early stages, countries on this side of the Atlantic can now look forward to long-term opportunities that can only be undermined by a lack of equality between the social indicators of one bloc and another. Similarly, strengthening relations will prompt objective incentives for rapidly closing the social gap.

The initiative for bringing the two blocs closer together was taken by the EU, which since the mid-1980's has been trying to established privileged relations with groups of Latin American countries. These attempts have been unsuccessful so far because Europeans did not want to negotiate with individual countries and South Americans did not feel politically comfortable in delegating powers or in assuming a leading role in the region. With the consolidation of Mercosur, this problem disappeared. Thus, the Southern Cone of the Americas and the 12 EU member countries will be linked by a free trade agreement within a few months.

The strengthening of EU-Mercosur ties reflects the level of maturity of the two economic integration processes. By developing a single market and by initiating a customs union they have come to understand that they cannot a turn a blind eye to what is happening outside their expanded borders. In light of the opportunities that are arising outside the blocs, the dynamics of intra-zonal trade become insignificant in a process that has a huge potential, but which remains unexploited. The consolidation of trade rules, of business procedures, and the settling of controversies are freely accepted realities that have demolished the "fortresses" that the integration processes are believed to have erected.

This process, however, will not occur overnight. Negotiators for the two blocs must agree on a framework agreement that will set the guidelines for trade liberalization and the scope of broad economic cooperation between Mercosur and the EU. This will be the stage in which the two parties should conform to a minimum common denominator that will govern the free trade zone. As it entails changes in laws, regulations, and—especially—in mentalities, it will require intense political negotiations both within and outside the respective blocs.

These negotiations have incidentally already started as a result of the circumstances that surrounded the meeting in Brussels by the Mercosur foreign ministers and the EC president. But precisely now that the two blocs are moving closer to liberalizing and making more dynamic their bilateral trade, the EU is also preparing a new Generalized System of Preferences [GSP] to reduce the competitiveness of many Brazilian export items. The initiative to create a free trade zone and to reform the GSP are obviously independent from each other. It is also obvious that the latter action will have a direct, immediate impact on Mercosur countries, especially on Brazil. This is why the four Mercosur foreign ministers have attempted to establish a link between the two issues to avoid the negative consequences that would result from the gap that must exist between the implementation of the new GSP and the early steps of the free trade zone. Even if that link is not enough to temporarily suspend the implementation of the new GSP rates on Mercosur products, it should at least serve to expedite the establishment of the free zone that considers the level of consolidation achieved by Mercosur.

The institutional strengthening between Mercosur and the EU is tangible proof that integration processes require a little more than political will. For more than a year we have heard reports of South American countries joining NAFTA, and speculation on which country will win a race that has not even started yet. Just a few days before the launch of NAFTA, which will not happen until 1 January [as published], Mercosur is encountering no problems in institutionally starting its integration with Europe. More than an exercise in political will—as Chile has found out with NAFTA—regional or inter-zonal integration processes basically depend on the maturity and complexity of economic relations. It is this inclination for trade that allows Mercosur and the EU today, and will allow Mercosur and NAFTA tomorrow, to tear down the barriers that separate their markets.

President-Elect's Team Preparing Budget, Reforms

PY3011023694 Sao Paulo GAZETA MERCANTIL in Portuguese 28 Nov 94 p 5

[Article by Eliane Castanhede, in Brasilia]

[FBIS Translated Text] Two documents that are essential for Fernando Henrique Cardoso's government will be ready this week: a 12-page document on sectorial policies that are compatible with the Union's budget for 1995, and a document of approximately 10 pages on the constitutional reforms that are at an advanced phase of negotiations, and on the political reforms in Congress and outside Congress. Economist Paulo Renato de Souza is completing the first document, while the second one is being reviewed by jurist Nelson Jobim.

Those two documents, plus the "Let's Get to Work" program, which was released during the presidential campaign, represent the "bible" to be delivered—before the inauguration—to all future ministers and to their closest advisers. A source that is very close to the president-elect said that "whoever thought the 'Let's Get to Work' program was a piece of advertisement is wrong. It is a real working document."

Two other papers will outline the principles, targets, and resources of the future government, as was agreed upon during a meeting between Fernando Henrique Cardoso and top-level members of his team at Alvorada Palace on 25 November. The papers are his farewell speech to the Senate—to be delivered probably on 14 December—and his inauguration speech for 1 January 1995.

The design of the future government's profile is in a much more advanced phase than the team's silence might suggest. For example, the "0900 meetings" are already part of the president-elect's routine, despite the fact that they were

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announced as a military government habit that will be resumed only after the inauguration. The daily meetings are being attended by Fernando Henrique Cardoso, Paulo Renato de Souza, economist Eduardo Jorge Caldas Pereira, and current Finance Ministry Executive Secretary Clovis Carvalho. Consequently, Cardoso is actually meeting with officials from the current and the future government.

Eduardo Jorge is likely to be designated chief of the president's cabinet and Clovis Carvalho might become chief of the Civilian Household, while Paulo Renato de Souza is considered the virtually confirmed candidate for the Planning Secretariat, which will monitor implementation of sectorial programs. All will have their offices at Planalto Palace.

At the 25 November meeting, which lasted four hours, neither names nor posts were under discussion. "We reviewed all constitutional amendments, the negotiations phase for each of them at the time of the frustrated reform attempt at the beginning of the year, and the alternatives and how to regulate them," one of the participants said.

He added that PSDB [Brazilian Social Democracy Party] Senator for Sao Paulo Jose Serra asked that some tax legislation reforms be approved this year, but lawmakers' efforts will have to concentrate on the bills that are already under discussion in Congress: the public service concession bill, drawn up by Senator Fernando Henrique Cardoso himself; a bill limiting the Union's payroll to 65 percent of the budget; the 1995 budget bill; and the controversial intellectual property rights bill, or the patent bill.

From a political viewpoint, the reforms are on the right course. In addition to the PSDB, PFL [Liberal Front Party], PTB [Brazilian Labor Party], PP [Popular Party], and PL [Liberal Party], which make up the future government's bloc in Congress, the PMDB [Brazilian Democratic Movement Party] has already given clear signals that it will also support the government.

Even the PT [Workers Party], which was radically opposed to reforms, has already stated that it will not oppose the changes, and that it will study them on a case-by-case basis, as PT Deputy for Rio Grande do Sul Fose Fortunatti, the party leader in the Chamber of Deputies, said last week. The Church, through the National Conference of Brazilian Bishops (CNBB), has drawn up a document advocating the reforms. The church has noted, however, that the reforms should not merely favor bankers, industrialists, and entrepreneurs, leaving untouched the obvious concentration of income.

Cardoso Considering BNDES Head for Finance Minister

PY2911130594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Nov 94 p A5

[Article by Odail Figueiredo]

[FBIS Translated Text] Brasilia—With the refusals of Central Bank President Pedro Malan and economist Edmar Bacha, President-elect Fernando Henrique Cardoso has begun considering the possibility of naming Persio Arida, president of the BNDES [National Bank for Economic and Social Development], as head of the Finance Ministry. According to a congressman close to the president-elect, Finance Ministry Executive Secretary Clovis Carvalho is also an alternative, while Deputy Jose Serra (PSDB) [Brazilian Social Democracy Party] has fewer chances because Cardoso's advisers consider him a "very contentious" candidate.

Current Finance Minister Ciro Gomes' appointment to the Health Ministry is considered to have been discarded. According to the congressman, Gomes has already decided to leave for the United States with his family in January to study for a master's degree at the Harvard University. According to the source, the person who will "probably" be named to the Social Security Ministry is Deputy Reinhold Stephanes (Liberal Front Party, Parana), who has already occupied the position before, during Fernando Collor's administration. Stephanes is considered an expert on the matter and would help complete the PFL's quota.

"Serra is a more difficult choice, as he would want to create a new economic program of his own," the congressman said sarcastically.

In addition to criticism of the Real Plan, Serra has accumulated dislike among the PSDB sectors, including Minister Ciro Gomes and other leading figures of the Ceara State faction of the PSDB. His appointment, however, is supported by a group of Sao Paulo entrepreneurs. His criticism of the exchange policy, for example, has strengthened his position among exporters, who consider themselves harmed by the overvaluation of the real in comparison to the dollar.

According to the president-elect's advisers, Cardoso is not only reconsidering the possibility of implementing fiscal reform, but is also analyzing the suitability of doing it in stages. "Changes will not all be announced in a single day," one of Cardoso's advisers said. Reduction of government expenditures remains in the president-elect's plans, but politically he has begun to believe that he needs the positions to negotiate the parties' support for his administration and ensure approval of the reforms in Congress.

Cardoso's advisers have characterized PMDB [Brazilian Democratic Movement Party] support as the most complicated. Alluding to the PMDB's craving for federal government jobs, a PSDB congressman said: "The PMDB is an expensive party." The main problem with the PMDB is, however, the lack of national leaders within the party, which is divided into several groups that are not united by a single leader. This problem is forcing the president-elect to negotiate with each PMDB faction, always taking care not to antagonize any one of them.

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Central-Western PMDB Leaders Back Cardoso

PY3011002894 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 29 Nov 94

[Report from Goainia by Alcir Sarou]

[FBIS Translated Text] PMDB [Brazilian Democratic Movement Party] leaders from central-western Brazil have given a green light to party support for the Fernando Henrique Cardoso administration in Congress.

The PMDB leaders from the Federal District, Goias, Mato Grosso, Mato Grosso do Sul, and Tocantins states met today. The meeting, which was opened by PMDB national President Luiz Henrique, began at 1100, and the discussions lasted nearly four hours. Sao Paulo Governor Luiz Antonio Fleury and Goias Senator Iris Resende also attended the meeting. Although the decision to support Cardoso in Congress has not been made official yet, it will be discussed at the PMDB national council meeting scheduled for 9 December.

The meeting of the central-western PMDB leaders has been the third meeting organized by the national PMDB leadership. PMDB leaders from southern and northeastern Brazil have already expressed their support for the future Cardoso administration.

Governor Fleury today told his party colleagues that the issue of participating in the future administration is secondary. He said the PMDB wants to participate in the decision-making process, not just support the decisions made by the Cardoso administration.

Senator-elect Iris Resende in turn said he believes that the central-western PMDB leaders should demand benefits for their region in exchange for their support in Congress.

PMDB President Luiz Henrique said that the PMDB support for Cardoso must be given based on the changes the country demands.

PMDB Senators Competing for Senate Presidency

PY2911115394 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Nov 94 Section 1 p 5

[Article by Gustavo Kriefer with cooperation from Raquel Ulhoa and Silvana de Freitas]

[FBIS Translated Text] Senators Pedro Simon (PMDB-RS) [Brazilian Democratic Movement Party, Rio Grande do Sul] and Jose Sarney (PMDB-AP) [PMDB, Amapa] have already begun campaigning for the Senate presidency.

Simon, who has so far been defining himself as a "pre-candidate," will send a letter to PMDB senators asking them "not to promise" to support Sarney.

In the letter, Simon will say that "other candidacies" for the Senate's presidency may appear before the end of the year.

The Rio Grande do Sul senator attended on 25 November in Florianopolis, Santa Catarina State, a meeting of PMDB leaders of the southern region.

The meeting was the first of several other regional meetings during which PMDB participation in Fernando Henrique Cardoso's administration will be discussed, as well as the party's strategy for electing the Chamber of Deputies and Senate presidents.

In the meeting, the main PMDB leaders—except for Senator-elect Roberto Requiao, former Parana State governor—supported the party's participation in the next administration.

Support for Sarney

Senator-elect Jader Barbalho, former Para State governor (PMDB), expressed on 25 November support for Sarney's candidacy for the Senate presidency. Barbalho wants to be the PMDB leader, and asked for Sarney's support to this end.

According to Senator Gilberto Miranda (PMDB-AM) [PMDB, Amazonas], 15 of the 22 senators of the new PMDB bloc support Sarney.

Sarney's daughter Roseana—Maranhao State governor-elect—said on 25 November that the defeated candidate, Epitacio Cafeteira (PPR) [Progressive Renewal Party], wants to harm her father's candidacy by trying to annul the elections in Maranhao.

Roseana talked to President Itamar Franco for over an hour on 25 November. According to her, Franco and Cardoso should not interfere in disputes in the Chamber of Deputies and the Senate.

'Drug Financial Market' in Tabatinga Revealed

PY3011014794 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Nov 94 Section 3 p 3

[Article by Andre Lozano]

[FBIS Translated Text] Tabatinga, Amazonia—In the Amazon city of Tabatinga, bordering the city of Leticia, Colombia, drug trafficking has ceased being an exclusive activity of criminal gangs and has nowadays become one of the most sought after risk investments by the dwellers of Tabatinga.

Tabatinga is separated from the Colombian municipality of Leticia only by an avenue called Friendship Avenue.

Leticia hosts the third largest cocaine cartel of Colombia.

FOLHA news agency interviewed two former drug trafficking investors who live in Tabatinga.

They agreed to tell how the "drug financial market" operates as long as their real names are not revealed. They simply identified themselves as Pedro and Nestor.

According to Pedro, the traditional "shareholder" is a low-income worker who saves some money (normally

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approximately $1,000) and invests it in the drug market because it yields a profitability much higher than any other kind of legal investment.

He said that the illegal numbers game organization abandoned Tabatinga more than three years ago because it was unable to compete with the drug market.

According to Pedro, not just anyone has access to this investment "bank."

"You need to find someone linked to a drug trafficker who will introduce you into the scheme," he said.

Normally, the drug traffickers quote a shipment amount, for example, five kilograms of pure cocaine.

This amount is currently valued at $12,500 in Leticia and Tabatinga.

This cost is divided among five or more small investors and the contact is made only through one or two representatives of the two groups.

The drug traffickers check the reliability of their shareholders.

Investors in general never have contact with the drug or the drug traffickers, be they Colombian or Brazilian. They just wait for the return on their investment.

High Risk Market

"It is as if you were a client of an investment bank. It is not necessary to know the bank owner, only the bank tellers or a manager at the most," said Nestor.

After buying the drug in Leticia or Tabatinga, the drug is taken to Manaus by a "mule" (name given to whoever transports it).

If the drug is not confiscated by the police, it can yield $25,000 in Manaus (double the initial investment). If the drug arrives in the United States, the return will be $250,000.

In the event it arrives in an Asian country, such as Japan, the profit of the shipment could reach $500,000.

"It is a risk market. Just as you can become rich in a week, you can also lose the meager amounts you saved over a period of several months. But this market is more attractive than investing in CDB's [Bank Deposit Certificates], savings accounts, fixed earning funds, or horse races," Pedro said with irony.

[Sao Paulo FOLHA DE SAO PAULO in Portuguese carries, also in the 28 November issue, and also on page 3, a report that adds the following: "FOLHA news agency was detained in its work for 1 hour and 10 minutes at the command of the Colombian National Police Intelligence Service on 24 November when it was making this report in the military zone of Leticia. Our reporters were detained when photographer Pisco Del Gaiso aimed his camera at the house of Colombian drug lord Mario Alberto Cano Guzman, aka Tata Cano, one of the main chiefs of the Leticia drug cartel. Tata Cano was arrested in June 1994 with 7.5 kg of cocaine in Tocantins. His house is located 50 m from the National Police Intelligence Service, 300 m from the Colombian Navy headquarters, and 100 m from the Leticia penitentiary. The reporters were detained by an undercover policeman. They were released only after the Brazilian consul in Leticia, Darly de Souza Oliveira, interceded on their behalf."]

Chile

Accord To Help Reorganize Salvadoran Armed Forces Signed

PY2911212794 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 29 Nov 94

[FBIS Translated Text] General Pinochet has signed an agreement whereby the Chilean Army will cooperate in reorganization of the Salvadoran Armed Forces.

After decades of fighting the Farabundo Marti National Liberation Front [FMLN], which ended with a historic peace agreement, the Salvadoran Army has begun a frank reorganization process, and the Salvadoran Government has been leaving aside its traditional relationship with the U.S. Armed Forces. Now the Armed Forces of El Salvador have asked for the advice of the Chilean Army.

Thus, the Salvadoran defense minister has signed an agreement with General Pinochet whereby Chilean officers working in El Salvador will reorganize all the military training in that country.

After signing the agreement, the high-ranking Chilean and Salvadoran officers went to the La Union Club, where the Salvadoran defense minister decorated General Pinochet.

[Begin recording] [Pinochet] We Chilean soldiers understand the effort being made by our Salvadoran comrades to guarantee the necessary tranquillity for their citizens.

[Chilean Defense Minister Perez Yoma] Well, this has been authorized by the Defense Ministry. We are interested in helping the Salvadoran Republic in consolidating its democratic process, and in reorganizing their Army. They have had a lengthy internal war and have asked for our assistance, and we have agreed to provide that assistance. [end recording]

Ruling Coalition, Opposition Approve Budget Bill

PY3011004094 Santiago EL MERCURIO in Spanish 22 Nov 94 p C3

[FBIS Translated Excerpt] The government and the congressmen of the ruling coalition and of the Unity for Chile yesterday reached an overall understanding that will facilitate normal discussion of the budget bill in the national congress and, at the same time, make it possible to have new mechanisms to increase the openness and to control, in the best manner possible, the way in which public resources will be spent next year.

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The agreement was reached in a meeting held yesterday afternoon by Finance Minister Eduardo Aninat and Budget Director Jose Pablo Arellano with congressmen of the coalition and of the opposition.

In that meeting, Aninat promised to send information on the budget bill to guarantee to the congressmen a periodic and full update on the implementation of the budget throughout the year.

Aninat's contacts with the congressmen who participated in the debate on the budget started following the decision by the opposition deputies to vote against the budget last week in the Chamber of Deputies to protest the lack of information affecting the congressmen with regard to the manner in which public resources are spent.

Present at Aninat's office yesterday for the working meeting were Senators Andres Zaldivar (Christian Democratic Party—PDC), Sebastian Pinera (National Renewal—RN), Hernan Larrain (Independent Democratic Union—UDI), and Francisco Javier Errazuriz (Progressive Center-Center Union—UCCP), and Deputies Armando Arancibia (Socialist Party—PS), Jaime Estevez (PS), Andres Palma (PDC), Jaime Orpis (UDI), Alberto Cardemil (RN), and Alejandro Garcia Huidobro (UCCP). [passage omitted]

State Companies Open to Private Capital

PY2911213594 Madrid EFE in Spanish 2122 GMT 28 Nov 94

[FBIS Translated Text] Santiago, 28 Nov (EFE)—Chilean Finance Minister Eduardo Aninat today announced that state companies in the areas of sanitation, electricity, and ports will open to private capital in an attempt to reduce the state participation in productive activities.

Aninat said that, during this stage of our development, the state must concentrate on social tasks and achieve a more equitable distribution of incomes. He spoke during the inauguration of the National Entrepreneurial Encounter (Enade' 95) in Santiago.

The head of President Eduardo Frei's economic team announced the opening of a dozen sanitary companies, the Colbun electricity company, and the Port Enterprise of Chile (Emporchi) to private capital, and the total privatization of the state owned Radio Nacional de Chile in January next year.

The state will also sell its 30 percent ownership in the Northern Electricity Company (Edelnor). In December it will sell all its shares in the State Maritime Enterprise (Empremar) and its subsidiary Transcontainer.

Aninat said the privatization of these companies will not give the country an additional push or provoke "productive miracles" because these companies are already efficient, but it will leave the state free to direct its attention to more needed areas.

Aninat said these state companies have investment problems because their projects must compete with initiatives that have a high social content in other areas, such as education, health, housing, and the fight against poverty.

The state, as an economic agent, has difficulties financing those investments while the private sector offers clear comparative advantages at the time of providing goods and services.

Colombia

Government Announces 'Repentance Law' for Rebels' Surrender

PA2911225694 Hamburg DPA in Spanish 1731 GMT 29 Nov 94

[FBIS Translated Text] Santa Fe de Bogota, 26 Nov (DPA)—The Colombian Government announced today a "Repentance Law" similar to the one recently applied in Peru to ease guerrilla deserters' surrender to justice.

In addition, it offered a national reward plan aimed at getting the rebels themselves to inform about the top brass of the Simon Bolivar Guerrilla Coordinating Board (CGSB).

Defense Minister Fernando Botero made the announcement during the close of the 24th National Cattlemen's Congress held at the Cartagena de Indias beach resort in the northern part of the country.

The minister said the "Repentance Law" is inspired by the legislation by Peru, where more than 6,000 repentant terrorists have surrendered, particularly from the "Shining Path," within a few years.

"Peru's experience is quite interesting for Colombia," Botero said, not stating, for now, the date on which the legal dispositions encouraging the voluntary surrender of guerrilla deserters will be implemented.

Likewise, he confirmed the government will establish shortly a reward plan, on a national level, in an attempt to encourage the people to report the top brass of the subversive groups.

The measures are a complement to the peace process, which was initiated by President Ernesto Samper and which includes a possible dialogue with the CGSB. "A good will" statement is expected from the rebels for this point.

The CGSB has between 10,000 to 15,000 uniformed, armed men according to official estimates and comprises the communist Revolutionary Armed Forces of Colombia, the Maoist Popular Liberation Army, and the pro-Cuban Army of National Liberation.

Political Analysts View Election Results

95CA0032A Santa Fe de Bogota EL TIEMPO in Spanish 6 Nov 94 p 8A

[FBIS Translated Text] Transition? Indepth political change? End of the two-party system? Or were these only migratory birds crossing the liberal and conservative skies?

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Many questions remain unanswered after last Sunday's elections. The victory of four priests, the landslide victory of Antanas Mockus as mayor of Bogota, and the weakening of the party machines have generated many interpretations.

EL TIEMPO's political staff invited three analysts to explore answers to questions generated by events of the recent elections.

Elizabeth Ungar is professor of Colombian Processes at the School of Political Science at the University of the Andes.

Pedro Santana is director of the review FORO POR COLOMBIA, which covers national politics.

Rodrigo Losada is director of the Electoral Observatory and professor of political science at Javerian University.

There was no (nor was there any reason why there should be) unanimity in their views. But there was common ground between Ungar and Santana: there is a slow but certain process of renewal in political habits, and a new milestone in the shakeup of the traditional parties.

Losada feels this process is not very profound. The major questions and responses in this debate follow.

[EL TIEMPO] What is the significance of the changes the elections brought about?

[Ungar] The most significant changes are certainly the ones related to the new types of candidates who ran in some of the big cities, particularly Bogota. I would like to mention two phenomena: the case of Bogota, which had an atypical candidate who was able to fill the vacuum the citizens felt, who responded to their needs and their lack of government. These are not apolitical candidates; rather, they are deeply political, who understand the importance of speaking to the citizens in a different way.

[Losada] I think that is magnifying the change and suggesting that there is a new pattern of behavior in the nation. If you look at voter participation records in Bogota you see a paradox with what Mockus seems to imply. Elections for mayor started with 30 percent in 1988, 26 percent in 1990, 15 percent in 1992, and 18 percent in 1994. The trend, if you can call it a trend, is more toward a decline.

[Santana] I think there is a decline in the two-party system in Colombia; this is not a new process. The phenomenon of new political alternatives cannot be viewed without looking at the past. Even Galan partly represented a rejection of an old political class full of defects and corruption. In 1988, when mayors were elected for the first time, 101 did not fit the mold of any of the traditional parties. They were people whom the Election Records Office listed as "other." Then the volume declined, later rising to 301 in 1992.

[EL TIEMPO] Are we becoming a country with new political customs?

[Ungar] I think the answer is definitely yes, the nation is being modernized politically. The use of ballot cards, the fact that people can vote without pressure from political bosses is a giant step forward, the symptom of a political culture being created. In large part the Constituent Assembly process and the Constitution itself are helping to civilize our political customs.

[Losada] Well, there is some degree of change, but it does not go very deep. It is related to circumstances and restricted to one city. Most city governments in the provincial capitals and other municipalities as well as the governorships remain in the hands of the traditional parties. There was a clear protest vote for Mockus, but a good part of his supporters are voters who regularly look for something new. I would not be surprised if in three years they were supporting a liberal or conservative candidate. The desire for change is not reflected in the vote for council members.

[Santana] The phenomenon of candidates whom the Election Records Office classifies as "others" does not necesarily mean that they will all be advocates of change; there are some from traditional parties who disguise themselves as "others." Some voters support candidates who have been excluded by party bosses and they are almost always respected personalities, and the "other-others" who represent social and popular organizations. In my opinion, this phenomenon began in the outskirts and then crossed over to midsized and large cities. That is the context in which Mockus won.

[EL TIEMPO] Are we moving toward a transformation of the parties to ensure their permanency, or toward the annihilation of the parties?

[Ungar] If there is slippage in the traditional parties, it is a continuation of the chaotic process already taking place. I am a believer in the role of parties in democracy, and so the proliferation of candidates without parties disturbs me. They do not have a tie to organizations, so that is a volatile vote and it is hard to bring people together like that, simply around ideas without an organization. There also needs to be a program. Really strong political parties can not be created without those two things.

The Barranquilla case seems very important to me because here there is continuity of a protest against very deeply rooted political practices, and unlike what happened with other groups, that movement transcended its leader.

[Losada] I believe the partisan feelings among us are very long-lasting. There has not been a change in over 20 years in the proportion of people who identify with the traditional parties. The intensity with which a person is liberal or conservative has diminished, but not the proportion of people who identify with those parties.

But parties as an organization have not existed for some time. I see a multiplicity of tiny parties. The organizations called National Liberal Party or National Conservative

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Party are used by those with tiny parties to provide them with services like endorsements.

I do not think that right now it is a characteristic of the parties to have large programs or that democracy depends on the strength of those parties. I believe democracy can be viable and robust with a number of small parties that join together to promote ideas of substance.

Apparently positive consequences are being produced by the fragmented parties we have. If you look at legislation in recent years, at the Constituent Assembly, these are positive results produced by fragmented parties.

Moreover, the idea of parties built around a platform supposes that people vote for platforms, and I think that is a mistake. On repeated occasions it has been shown that people are overwhelmingly uninformed of the programs even of their own party, and of the candidate for whom they are going to vote. The people vote more based on their feelings, whether of enthusiasm or fear.

[Ungar] There is a small conceptual error here. These are not even very small parties. But I do think that ideally a small party should have a minimal program to attract voters and a party organization. What Rodrigo [Losada] calls small parties are individuals with small proposals. It would be great if small parties did exist.

[Santana] I agree with Elizabeth that in a democracy the presence of parties as intermediaries between civil society and the state is an advantage. I think our parties are in crisis, I believe the parties do not exist. Moreover, what Rodrigo calls feelings I see as related to people's concrete interests. For example, in Bogota, Cucuta, Barranquilla, the reality is that people want to change the way things are.

[EL TIEMPO] How do you analyze the election of priests to municipal governments?

[Ungar] What surprises me is that they do not get more votes. It seems to me that the position of the Catholic Church has been a little ambiguous, because here the church does participate in politics, from the local parish priest up to Monsignor Castrillon, but sometimes that it is good and sometimes it is not. When a priest announces his candidacy, his church support is discontinued and he has to take pastoral leave. I believe that politically the church does have a role to play, but it should acknowledge it and make it explicit and not say "we do not take part in politics, but we oppose some candidates and we support others."

[Santana] I followed Father Hoyos' campaign very closely in 92. I believe that priests do not run on a biblical message nor is their campaign fundamentalist. I think there is very important symbolism in this, and it is that the church is one of the institutions with the greatest credibility in this country. This credibility is natural because of the functions priests perform in society. There is a certain specificity: the church is involved in social work, like Father Hoyos, who spent years working in poor parts of Barranquilla.

[EL TIEMPO] How do you analyze the Mockus victory?

[Losada] The factor that may help to explain the voters' behavior in the Mockus case is feelings. A person votes for an image, for the image perceived as the idea that he has of a candidate, the feelings of confidence, credibility, honesty, that the candidate generates in the voter. When a person feels that the candidate deserves his support, he votes for that candidate. And that is pure emotion. At a higher educational level, the individual sees that it is harder for him to evaluate what is better. Will the metro be a good idea? Do I know if a 15 percent gasoline surcharge is a good idea, or would 10 percent be better? How am I going to find out about that? Then the fundamental decision is based on the image one has of the person.

Mockus generated enthusiasm in many people, including both liberals and conservatives. I do not see in Mockus a new political era. He is more the catalyst of voter unhappiness, a possibility of change. And if that change happens, many might say afterwards: "Thanks, Mr. Mockus, but we are going to stay with what we had before."

[Santana] The Mockus case is very significant because this is the second political office in the nation. I believe this election put the crisis and poverty of the parties in Bogota on the table.

It is simply nonsense to say that the liberals did not use all their machinery and that Penalosa ran a poor campaign. That was the only campaign he could have run. Luckily, the liberals did not choose a party hack as a candidate, but instead a modern man who knows the problems. Otherwise the defeat would have been worse.

What is striking is that there may be a national political phenomenon in this. He could become president of Colombia if he is able to maintain political coherence. I think this is good for the entire country because it forces both the traditional and the other parties to think, to change. I believe the nation is ready for a major change in the political parties that was not spelled out in the new Constitution.

[EL TIEMPO] Does running as an independent guarantee victory?

[Ungar] No. There were many candidates in these elections who ran as party candidates and most of them were elected. There were others who ran as outsiders and were not elected. It depends essentially on their ability to appeal to what the citizens want and need to hear.

Samper's Efforts on Economic Front Viewed

95CA0038A Santa Fe de Bogota SEMANA in Spanish 8 Nov 94 pp 66-74

[FBIS Translated Text] *At the culmination of the government's first quarter, business owners are beginning to complain of the doubts created for them by certain mixed signals from the administration regarding the direction of the economic policy.*

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Ernesto Samper appears quite content these days, and not without reason. On the eve of completing his first 100 days of government, he is still enjoying a honeymoon that seemed impossible during the the days following the 20 June elections, and the scandal involving the "narco-cassettes." In an interview held at his office a few days ago, the president himself admitted to SEMANA: "The first 100 days of government really have been peaceful, compared with those after the election, which were so hard that I wouldn't wish them on anyone."

Much of the success (reflected in high popularity ratings in the polls) could be due to the feverish activity displayed by the chief executive at the start of his administration. On the one hand, he has appeared in a considerable number of cities, at a pace seldom observed. On the other, he has seen to it that his government does not let a week go by without making an important announcement.

Possibly out of conviction, or perhaps because he has no other recourse, most of the time and the annnouncements have been devoted to the economy. After all, his electoral promises are closely linked to that subject: 1.5 million jobs, 350,000 small businesses, aid to farmers, relief for exporters, redistribution of public spending aimed at the social area, competitiveness, a social pact, and several other items. In short, it is an agenda sufficient to fill the entire term of an administration; and there will be more. The presentation and discussion of the new development plan, the "social leap" (see box), included among the new procedures in the Constitution of 1991, promise to keep the topic in the public's view during the coming weeks

The strangest part is that such effort does not appear to have been recognized yet. Although the government's present popularity is a fact, so is the situation whereby, among the experts, its economic policy is already receiving rather severe criticism. "The signals are not clear" is the argument of William Fadul, president of Fasecolda. "The policy has been devised in an incomplete and blurred manner," adds the Conservative senator, Juan Camilo Restrepo. "We don't know where the bus is heading. One has the impression that it is trying to take too many routes at the same time," remarks the president of the National Association of Industrialists [ANDI], Carlos Arturo Angel.

The debate has reached the point where some are comparing it with the one that occurred four years ago, when the country was arguing over the issue of "apertura" [economic liberalization policy] at the start of Cesar Gaviria's government. The ironic part is that, at the time, Samper himself was the one warning of the dangers in the economic policy. But the comparison may end there. The dangers currently being discussed by some trade association leaders have nothing in common with those at that time. Whereas then, it was being claimed that Gaviria was trying to move too fast, the critics today assert that Samper is trying to apply the brakes, and that the doubts about his government are filling the business environment with uncertainty.

What seems most unfair is the fact that these criticisms from business owners are being earned by a government that has attempted to exert itself to the utmost in the defense of national production, among other things, with an effort that should, in principle, receive better comments from its presumed beneficiaries. Only the agricultural sector and the exporters' union have placed their hopes in specific assistance and in the devaluation policy as the main solutions to their problems.

According to the well-informed, what has occurred can be explained by several reasons. The underlying one is that apertura, with its pluses and minuses, has proven beneficial to industry and commerce. Fedesarrollo [Federation for Development] claims that industry is growing at an annual rate of 6.2 percent in real terms, and commerce at 7.1 percent, with good expectations for continuing in this direction. Owing to the deregulation of imports and the revaluation of the peso, a price reduction has occurred for many raw materials and, what is even more essential, for machinery. Thanks to this factor, the increase in private investment has been quite sizable: 26 percent real growth in 1992, 43 percent in 1993, and an estimated 13 percent for 1994. The ex-minister of development, Mauricio Cardenas, maintains: "What has occurred shows an effort for modernization that could not have been achieved under different circumstances, because of its high costs." And, although some sectors were particularly hard hit during recent times, such as textiles or the tobacco industry, the experts and trade associations do not blame apertura, but rather contraband, accelerated by dollar laundering and the persistent crisis in Customs. "The country needs more, not less apertura": This is one of the main conclusions in the Export Action Plan presented a few weeks ago by Fedesarrollo and Analdex [National Association of Exporters].

Mixed Signals

So, it is obvious that, four years after the initiation of apertura, the private sector has become a backer of apertura. This explains the fact that some within it view with fear the changes that the Samper government is attempting to introduce in the model. For example, this applies to what has occurred in the agricultural sector. Ten days after the present government's initiation, Conpes [National Council for Economic and Social Policy] approved a new policy for the sector, including the signing of five agreements on absorption of products such as cotton and barley. The purpose of this was to enable the national growers of those products to have the guarantee that the national manufacturers would purchase such products from them rather than import them from abroad. To force the industry to sign, the government showed it the stick of a rise in the tariffs for those products. "The choice was clear: either we would buy, or we would buy," as SEMANA was told by an manufacturer who participated in the process. Although the amounts involved were not very large, the incident left a bad taste, and the impression that the government was trying to return to past eras.

Another factor for resentment is some of the monetary policies, which have caused a considerable rise in interest

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rates. The Bank of the Republic and the government's economic team share the notion that the domestic credit to the private sector has been growing too fast (at rates close to 50 percent). And that, besides the explosion of the private foreign debt (now estimated at $7.5 billion), justifies the brakes being applied now, so that the car will not be wrecked in the future. Based on this reasoning, measures were adopted in August to restrict foreign credit, and the internal liquidity has been constrained during recent weeks. This has displeased producers, who complain that the first victim of this policy will be the soundness of the economy. They claim that it makes no sense for the sacrifices to be borne exclusively by the private sector, while the public sector does nothing but increase spending.

Another example of poorly received signals is that of the newly created pension funds, on which a change in the regulations of the Social Security Law will impose losses of 80 billion pesos during the next few years. A trade association leader commented, regarding these measures: "Among certain government officials, the idea that profit is bad seems to have reappeared: something that we thought had been dispelled."

A similar situation is occurring in the telecommunications field. The private sector, which had been invited to participate more actively, feels that the authorities are now envious of its expanding participation. The president of one of the value added private companies assured SEMANA: "Whereas the government seems greatly concerned about what the Telecom [National Telecommunications Enterprise] union, a traditional enemy of the sector's privatization, thinks, it does nothing but threaten private operators with fines and penalties for alleged excesses in the use of the operating licenses granted to them."

The financial brokers are complaining as well. The new rules on holdings have not pleased the banking sector, and the leasing companies are worried about a change in the accounting regulations requiring them to record large losses.

Foreign investors, for their part, have interpreted with concern the decision made in August to limit their participation in the real estate market. Although the government has claimed that the reason was to erect a barrier against dollar laundering operations in the construction sector, the bad taste remains.

Friction such as that mentioned has heightened the distrust of the government's real desire to promote private enterprise, and has generated the idea that the favorite verb among some government sectors has become "intervene."

To make things worse, the present administration has been the target of particularly harsh critics. In the Congress, Senator Juan Camilo Restrepo has become the opposition's most authoritative voice. Columnists such as Hernan Echavarria Olozaga or Jorge Ospina Sardi point out the government's alleged inconsistencies at every opportunity. And in Washington, every Friday, former Minister Rudolf Hommes discharges his batteries against the current policy in the pages of EL TIEMPO. This attitude has caused particular irritation in a country in which former finance ministers have traditionally moved on to a quiet retirement.

The present head of public finances, Guillermo Perry, speaks clearly about this: "Most of the criticism is not only legitimate, but also constructive (he claims). But there is other criticism that is annoying, when it cites statistics belied by the evidence or acts that have not occurred."

All at One Time

The government too, for its part, is paying the price for having been particularly intense. Hardly does the public manage to half-way digest the week's announcements from Conpes, when along comes another program, a visit to another city, or the announcement of support for a specific sector. During the government's 14 weeks, it has created the Social Solidarity Network, the Council on Competitiveness, the Technological Corporation for Small Business, and the work commissions for the social pact. Plans have been introduced for rural employment, urban employment, support for the elderly poor, agrarian reform, land improvement, low-income housing, and so many other projects that journalists are complaining of being saturated with news.

The abundance of forums for concerted action has brought more confusion than clarity. A few days ago, Juan Camilo Restrepo was especially sharp in his criticism, declaring that the three scenarios (the social pact, development plan commissions, and council on competitiveness) reminded him of the three-ring circuses that he used to attend as a child. According to Restrepo, the announcements on social issues are so numerous and so frequent "that the government appears to be continuing with an election campaign."

Much of the distrust generated by the announcements in the social area is associated with the people in charge of the programs. The most critical example is that of Health Minister Alonso Gomez. Always described as one of the country's best trained professionals in his field of specialization, and as a plain, affable person, Gomez suddenly jumped into a ministry that is undergoing intensive care. From medical histories and night rounds at the Palermo Clinic, the minister has moved to contending with strikes held by anesthesiologists and requests from every public hospital in the country. The most difficult thing for him has been the attempt to elucidate the regulations for the new Social Security Law, inherited from his predecessor.

This start-up in reverse has prompted Gomez to state both publicly and privately that, insofar as health is concerned, the reform cannot be implemented starting next year, as stated in the current regulations. This has been disconcerting to entities such as the prepaid medicine companies that were interested in becoming Health Promotion Enterprises in the context of the new legislation. Now, they have opted to freeze their plans, waiting for the government signals to become clear.

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Something similar is occurring on other levels. In the SENA [National Apprenticeship Service] and the Social Security Institute, for example, the debate on the programs left accumulated by the previous administration has been reopened. Although the government's top echelon has the will to continue with the reform of the training and social security mechanisms, there is a kind of short-circuit between the thinking at Narino House and the Finance Ministry and what is being done by the entities involved in the day-to-day activity. One trade association leader explained: "The problem is very simple. The new directors of those entities have arrived in their posts without a very clear understanding of the reforms under way and, while they are learning, the administration of those institutions has been left in the hands of the old bureaucracy and the middle-level managers traditionally opposed to change."

The serious part of all this is that, if things continue in the direction they are taking, the first to collapse will be the social sector: the very one on which the government's main promises and the public's greatest expectations have been concentrated.

The Prospects

Under these circumstances, it is not surprising that observers are talking about a yellow alert, an alert signal that seems to have been turned on in both the social sector and the macroeconomic area, whose experts think that the goals are inconsistent. The government wants to control revaluation to achieve a recovery of exports, to reduce inflation through the social pact, and, at the same time, to increase public spending by more than a nominal 30 percent in 1995. All of this is aimed at making the economy grow by over 5 percent in real terms.

For the present, the debate is focused on the social pact. It is seeking to commit business owners, workers, and government not to raise their respective prices (including salaries) above a certain figure. Put plainly, it involves limiting increases in 1995 to nearly 17 percent: about two points below what is perceived as the future inflation goal to be made public within a few days by the Bank of the Republic. As evidence of its will, the government has already announced its decision not to raise the price of gasoline at the beginning of the year, to keep surveillance over tariffs, and not to raise public servants' salaries above the aforementioned rate.

The controversy becomes heated when it is time to put all this into effect. Eduardo Lora, of Fedesarrollo, thinks that, even if it works, "the pact becomes a one-time gain." Based on this opinion, because of the labor and management fragmentation in Colombia, at the moment of truth those committing themselves will be very few. And those who do not do so will win, at the cost of those who do; hence, it clearly would be better to remain outside than inside. Lora remarks: "After all, anything will be an excuse for not complying, because, obviously, at a table where we are going to make concerted decisions on everything, in the end, any business owner or any trade association could argue that it is raising prices very high because the government failed to keep its commitments on investment, or in some other area." In his view, the parties should confine themselves to a simple pact, with a few clearly measurable goals. He adds: "We cannot really begin with the enormous ambition of trying to make concerted decisions on everything."

The Good News

The great irony of what is occurring is that the gloomy debates on what might happen are taking place at a time when the economy is strong. On Thursday of last week, the DANE [National Administrative Department of Statistics] announced that the unemployment rate had dropped to 7.6 percent in the leading cities: 0.3 points below that recorded a year ago. Similarly, Planning revised its estimate on economic growth for 1994, now putting it at 5.3 percent: 0.3 points above the initial target.

Moreover, all the most recent business polls show a wide majority of opinion that the current situation is good, and that the prospects are better (see chart). In this connection, the government considers it possible to achieve economic growth of nearly 6 percent in 1995: a rate not seen in Colombia for many years.

So, how can the confusion be explained? The answer is very simple: it involves more of a problem of the signals being emitted by the administration than of the decisions being made by it. The government has not succeeded in unifying a rationale that sounds coherent, more because of too many components than by default.

What appears to be missing are clear expressions (and on all levels) in favor of private enterprise and the space that it will occupy. President Samper now understands this clearly. He told SEMANA: "I believe in the reform of the SENA and in the Law on Social Security, and both will make progress. If anyone opposes them, he will leave the government."

The challenge consists of conveying this message to the intermediate-level management and, simultaneously, to the private sector itself. The government has more than sufficient resources for putting its responsibilities in order. It has as an asset a favorable productive situation and a solid economic team, with a popular president personally involved in the issues that require his handling. All that is needed is to convey the messsages, and to court the private sector a little more, perhaps using Samper's personal charm for that purpose. Finance Minister Guillermo Perry expresses the view: "It is true that we have ambitious goals, but that is better than being short on goals." He adds: "We would have to make too many blunders to put an end to the current growth and that to come."

[Box, p 70]

And What About Revaluation?

"Every morning when I get up and receive the newspaper, I no longer look at the headline. I open the economic

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section to see how the exchange rate closed." This comment, made by President Ernesto Samper, reflects how the issue of revaluation has become the perfect gauge for viewing the goverment's success in the economic area. Since his inaugural address on 7 August, when Samper claimed "the enemies of revaluation are the enemies of apertura," he has devised a line of conduct that he has not hesitated to put into effect. Hence, his government adopted measures to control the flow of dollars and, in particular, to limit the private foreign debt which, stimulated by the difference in interest rates, is now approaching 8 billion: four times higher than it was a couple of years ago. The effects of revaluation have been strongly felt. During the first half, exports rose only 2.1 percent, and large sectors, such as those producing ready-made clothing, footwear, and flowers, have been hard hit by the effect of a system in which the price of the dollar is moderate, while its costs rise. To put it more technically, the index of the real exchange rate moved from 102 at the end of 1993 to nearly 88 last week.

Although that situation is distressing, it is a little better than the one existing in August. At that time, the annualized devaluation was 0 percent. During September, however, the market's representative rate rose from 817 to 842 pesos per dollar. Although it has declined slightly since then, the foreign exchange has remained at nearly 838 pesos. If the year ends at that level, the 1994 devaluation would be only 4.5 percent, compared with an inflation close to 22 percent.

The recent sluggishness of devaluation has prompted some to question the government's success on that front. Nevertheless, it defends itself. Guillermo Perry claims: "The weekly fluctuations are not helpful for making a thorough judgment. The effects of the policy must be judged by how we have been doing, and by what lies ahead." According to his analysis, the effects of the August measures will not be felt in all their intensity until the beginning of next year, when the financial sector and the importers will have to turn over large sums abroad. The government still hopes to bring the devaluation for the year close to 11 percent, as a result of which the dollar price should rise by about 40 pesos during the last two months of 1994.

[Box, p 74]

The Ocampo Plan

Those who were with Ernesto Samper in the campaign still remember the document. It was a hefty volume, containing the economic proposals of the then candidate. They called the book "El Petete." Those pages ended up becoming one of the main sources of a new book with a slightly more serious title. Entitled "The Social Leap," it goes to press on 10 November. Containing the present administration's proposed development plan, it will be the compass for management of the economy until 1998. Its preparation took place throughout the past few months, under the guidance of the national planning director, Jose Antonio Ocampo.

As the book is planned, the Samperist doctrine on the issues currently associated with the controversy will be explained in eight complete chapters.

"The Social Leap" begins with the objective of "a new citizen," announced in Ernesto Samper's inaugural address. The jabs against the previous government and the liberal model are present subtlely, when it explains the substance of the alternative model of development, associating the economic, social, and environmental objectives of the plan. Emphasis is placed on equity, solidarity, competitiveness, participation, and, of course, concerted action. All this is for the purpose of asserting that employment is the bridge between the economic and social policy.

The next chapter concerns the macroeconomic issue. The government's goal is particularly ambitious: to achieve an average annual growth of 5.5 percent during the four-year term. This would be supported by expedients such as defense of the exchange rate, promotion of both private and public savings, the social pact, the consolidation of apertura, and the employment policy.

Next, one is introduced to the chapter titled "The People's Time."

It describes the objectives relating to better quality of life: education, health, culture, sports, habitat (housing and drinking water), network of solidarity and justice, citizen's security, and human rights.

Included in the fourth chapter is policy on production, based on competitiveness and the creation of productive employment. It discusses the council on competitiveness, science and technology, promotion of small property, and three sectorial plans: for exporters, agriculture, and industrial modernization and reconversion. Furthermore, a lengthy analysis is made of the development of infrastructure in the area of transportation and communications.

All the preceding leads to the topics of sustainable development (environment), institutional development (decentralization, public management), and international agenda (reciprocity in relations).

From a bird's-eye view, it is an entire compendium of proposals for making Colombia more "prosperous and peaceful," as the presidents' speeches put it.

Although many of its components were already known, the plan has a few surprises. The most ambitious is the goal for growth which, if attained, would make the present period the one with the best gains for increased income per inhabitant. On the other hand, the plan retrieves the subject of privatizations in a clearcut manner. Much of the construction and recovery of roads, at a total cost of $6 billion, would be assigned to private entities through concessions.

Similarly, consideration is given to the sale of state assets in order to meet part of the fiscal requirements for the next few years. Apart from the state banks, there would be proposals in the electrical sector and, probably, in telecommunications, as well.

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The plan reverts to the tradition of presenting sectorial programs: something that should please manufacturers, farmers, and exporters. The measures against contraband, the management of tax relief, and the supports for production are contained in "The Social Leap."

However, the typically Samperist stamp is that of concerted action, clearly reflecting the president's negotiating proclivity. Samper himself defends his ideas: "It does not involve doing anything other than what I have always said," he claims. And that is so. For better or worse, there are positions in the plan that Samper upheld even during his time in the ANIF [National Association of Financial Institutions]. We need only hope that, when it is put into effect, this new "Petete" will achieve success when it is time to give 36 million Colombians a better life.

Business Owners' Polls Show a Good Picture

How do you view the present economic situation? (scale of 0-80)

	Excellent	Good	Acceptable	Poor
DINERO*	3	58	40	2
ANDI**	-	62	38	2
CINSET***	4	50	42	4

* National Association of Industrialists

** [weekly economic magazine]

*** [not further identified]

Paraguay

Judge Denies Petition for Release of 2 Arrested Generals

PY2911154294 Asuncion ABC COLOR in Spanish 29 Nov 94 p 2

[FBIS Translated Excerpt] On 28 November, criminal court Judge Carlos Monges Lopez rejected the habeas corpus writ submitted on behalf of Generals Pedro Concepcion Ocampos and Evelio Fabio Benitez Santacruz. The magistrate stated that such an action could not go forward as the two generals are still on the active list, and are therefore subject to the disciplinary punishment outlined in the Constitution and the law regulating military activities.

In a definitive statement, Monges rejected the request submitted by lawyers Ismael Martinez and Adalberto Fox on behalf of Benitez Santacruz and Ocampos.

The lawyers had asked that the state of incommunicado of the two generals be lifted and that they be released. The two military officers were arrested because they criticized General Lino Oviedo and President Juan Carlos Wasmosy. [passage omitted]

NEC To Bid for Power Grid, Communications Upgrade Projects

PY2911163894 Madrid EFE in Spanish 0842 GMT 29 Nov 94

[FBIS Translated Text] Tokyo, 29 Nov (EFE)—The Japanese Nippon Electric Company, NEC, wants to participate in the upgrading of Paraguayan telecommunications within the framework of a program for which Japan has granted a loan. The loan agreement was signed in Japan on 28 November during the visit of Paraguayan President Juan Carlos Wasmosy. EFE learned this from Paraguayan sources on 29 November, the fourth day of Wasmosy's visit to Japan.

According to these sources NEC could win the tenders for a number of projects to refurbish Asuncion's power grid and to upgrade communications. The money for these projects will come from an $81 million loan Paraguay obtained from the Overseas Economic Cooperation Fund (OECF) on 28 November.

The Paraguayan delegation will go to the NEC factory in Yokohama on 29 November to discuss various projects with company executives. The delegation will first tour the factory, where Wasmosy has had the opportunity to see the latest technical developments for communications.

NEC has been supplying the Paraguayan company Antelco [National Telecommunications Administration] with technology and equipment for international exchanges and analog telephone lines since 1975.

The Paraguayan president also met with Emperor Akihito at the Imperial Palace. The emperor told his visitor that he had warm memories of his visit to Paraguay with his wife Michiko when he was still heir to the throne, in 1978 [date as received].

Wasmosy emphasized the contribution that Japanese immigrants and their descendants have made to Paraguay's agricultural development, and labeled this contribution as a valuable tie between the two nations.

On 30 November, the last day of his visit, Wasmosy is scheduled to meet with Kimio Fujita, chairman of the Japanese International Cooperation Agency (JICA), to review agricultural cooperation and road building projects. The Paraguayan president will also ask for aid to build water supply and sewage systems.

Wasmosy will be awarded an honorary doctorate by Tokyo Agricultural University, and then travel to Mexico to attend the installation of President-elect Ernesto Zedillo.

Peru

Congress Approves Report Accusing Garcia of Corruption

PY2911180194 Madrid EFE in Spanish 1608 GMT 25 Nov 94

[FBIS Translated Excerpt] Lima, 25 Nov (EFE)—The Peruvian Congress has unanimously approved a report that once again accuses former President Alan Garcia of corruption. Alan Garcia has sought asylum in Colombia. The approval of this report has thus become the first step toward an impeachment of Alan Garcia and his submission to the regular courts.

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The report, prepared by a congressional commission that for one year had investigated a presumed bribe paid to Garcia in 1989 and 1990, concluded that there are "reasonable indications" confirming the fraud, and that the former president must be prosecuted.

The charges brought against the former president, who assumed the presidency from 1985 to 1990, are four: bribery, illegal collusion, incompatible negotiation, and illegal accumulation of wealth.

The supposed collusion is based on testimony and documents stating that Garcia apparently received $1.04 million from the Italian consortium Tralima in exchange for awarding to this company the construction of the Lima surface electric train, in 1989.

Garcia denied the accusation, but the investigations established that the money was deposited in a secret account in Barclays Bank in Grand Cayman on the same date and in the same amount indicated by Sergio Siragusa, a Tralima official who confessed to the payment.

It was also established that the owner of the account is Peruvian businessman Alfredo Zanatti, Garcia's well-known friend, and that both are apparently partners in the ownership of a plane and a television channel purchased with the money of the bribe. [passage omitted]

The congressional commission has also asked to file suit against Zanatti, Siragusa, Tralima President Luciano Scipione; former Italian Government adviser Antonio Badini, and Zanatti's lawyers Bernardo Fernandez and Joe Lazaga, the latter a Cuban-U.S. citizen.

The commission also recommended that the Attorney General's office investigate Mercedes Cabanillas, former minister of education; Rodolfo Beltran, former minister of the presidency; former Central Bank President Pedro Coronado; former Lima Mayor Jorge del Castillo, who is Garcia's lawyer; former Deputy Carlos Roca; and television businessman Vitorio de Ferrari, among others.

Over 20 people have been either directly or indirectly involved in the case.

The congressional commission report has been handed over to the Congressional Oversight Commission, which will issue a ruling on the commission's proposals and recommendations, which will be debated and voted on afterwards by the plenum. [passage omitted]

Election Campaign Notes 16-22 November

95SM0068A Lima DESCO Database in Spanish 25 Nov 94 p 1

[From Resumen Semanal; via Internet]

[FBIS Translated Excerpt] [Passage omitted]

Poll: Military Not Impartial

In the two largest cities of the country, 41.5 percent of the voting population believes that improper use is being made of state resources to promote the reelection of President Fujimori, and 62.2 percent of those questioned view the participation of the Armed Forces in the electoral process with mistrust, because they regard their members as supporters of the government. In the provinces, an even higher percentage (63.0) of those questioned do not believe in the political impartiality of the Armed Forces, and the percentage of citizens who believe that state resources are being improperly used to support Fujimori (42.0 percent) is higher, as well. Another reaction from those interviewed by IMASEN reflects the polarization of the attitudes in the Armed Forces toward the 1995 elections. To the question "do you agree or disagree that the Armed Forces favor the government?" 47.7 percent of those questioned said "agree" and 47.5 percent said "disagree." The most recent IMASEN enterprise polls reveal that the voting population is not unconcerned about the development of the electoral process, and that people adopt clearly defined positions on each event that provokes a polemic in political circles. (GESTION 18 Nov 94, LA REPUBLICA 19 Nov 94) [passage omitted]

Request for OAS Observers

On 21 November, the Peruvian government officially appealed to the Organization of American States (OAS) for the dispatch of a team of observers in connection with the general elections to be held on 9 April 1995. The request was drafted in Washington by Beatriz Ramacciotti, the brand-new ambassador of Peru to the OAS, during the ceremonial official presentation of her diplomatic credentials to Cesar Gaviria, the secretary general of that hemispheric organization. She explained that the Peruvian government is in accord with the OAS goals of strengthening democracy in the hemisphere, and will therefore offer its cooperation and participation within a context of respect for the principles promising sovereign equality for the states and nonintervention. (Most dailies 22 Nov 94) [passage omitted]

Fraud Charges by JPC

Manuel D'Ornellas has said that "it seems that Javier Perez de Cuellar (JPC) has not learned from the experience of Vargas Llosa, which demonstrated that the Peruvian people do not want their leaders to voice negative judgments about the reality in our country while they are abroad. Otherwise, he would not have chosen Madrid as the place to make charges of "major electoral fraud" in relation to the April elections. The first consequence of his accusations will be that if President Fujimori wins in the April elections, it will be claimed that his second administration lacks legitimacy, since it was born of fraud. The second consequence will be the damage to himself. When charges do not have a visible justification, they are interpreted as a sign of concealed defeatism. The third result will result from the fact that to accuse a government leader of fraud because he is also a candidate is something Europeans do not understand. Felipe Gonzalez himself has been reelected several times." (EXPRESO 16 Nov 94)

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Mirko Lauer expressed the view that "it is the last straw when the government sector criticizes Javier Perez de Cuellar for voicing his views while abroad, because these same individuals have for years applauded Fujimori's diatribes against Peruvian politicians and officials at various international gatherings. What, other than "dictatorship," could one call the impunity of the powerful from the consequences of these charges, the obvious support of the Armed Forces for a president running for reelection, and the secrecy in which the economic affairs involving the future of the country are being handled? Perez de Cuellar has put his finger on the sore spot. This is a government that has shown a lack of scruples in the past, and it does not merit confidence in the future. The statements he made in Madrid serve to remind the country that it would be a serious mistake to forget what happened on 5 April. The personalities involved in the events of 5 April remain active in Peruvian politics, disguised now as electoral democrats." (LA REPUBLICA 19 Nov 94) [passage omitted]

Left's Program

On 18 November, the United Left presented its government program for the 1995 elections, in which it proposes a "democratic revolution" based on the decentralization of power, strengthening and giving autonomy to the judicial branch, and the just distribution of wealth. It was Barrantes who presented the government plan. He criticized the "dictatorial government" of President Fujimori, which he said has destroyed the democratic system, and the neoliberal system in effect, which "has further impoverished the poor and made the rich richer." Barrantes said that the government plan proposed, which he described as a plan for development and national unity, is projected to cover a minimum of 20 years, so that it goes beyond the government's five-year term of office. (LA REPUBLICA 19 Nov 94)

Transparency's Pact 'Meaningless'

On 18 November, Raul Diez Canseco announced that he will not sign the gentleman's agreement proposed to the presidential candidates by the Transparency group for the purpose of ensuring an honest electoral process, one free of violence and respectful of the privacy of the personal lives of the candidates. He said that the document "means nothing to Popular Action if there are no clear rules of the game to show presidential candidate Fujimori that he cannot use the resources of the state in his proselytizing campaign." But quite aside from what is promised in this document, Popular Action will respect the ethics of the electoral campaign," he asserted. (LA REPUBLICA 19 Nov 94)

Flores Denies Withdrawal

Lourdes Flores Nano will not withdraw from the electoral contest, but will on the contrary continue to campaign throughout the country, Luis Bedoya de Vivanco, the group's candidate for the first vice presidency, has stated. He was responding to an article that appeared in the weekly periodical SI on 21 November. It reported that Flores Nano would withdraw as a result of the support level of one or two percent reported in the polls. According to the weekly periodical, the political commission of the PPC [Popular Christian Party] held a meeting on Tuesday, 15 November, "which was attended by Luis Bedoya Reyes, Luis Bedoya de Vivanco, Antero Flores, Ricardo Amiel, and Miguel Angel Mufarech. Its purpose was to analyze the candidacy of Lourdes Flores," the weekly said. Bedoya de Vivanco stated that the whole thing was the product of the imagination of the journalist who wrote the article, because neither he nor Amiel were present at the meeting in question. (Most dailies 22 Nov 94) [passage omitted]

Toledo Denies CLAE Links

On 21 November, speaking to those "who are digging into my private life," Alejandro Toledo said that they will find no dark deeds in his past that would disqualify him. "They have questioned my comrades at Harvard, they have had my daughter's birth certificate translated to determine whether she is legitimate, they have set to analyzing my divorce decree, and they have attempted to connect me with the CLAE [Latin American Congress of Students] affair, claiming that Carlos Manrique Carrenzo financed some of my books... What more are they going to do?" Toledo asked. He emphasized that it is precisely now that the polls are revealing that his candidacy is winning further support that "the filthy war against me has also intensified." (LA REPUBLICA 22 Nov 94)

Toledo Without 'Differentiated' Plan

Mirko Lauer says that "it is improbable that Toledo will reach the second round, and this has more to do with what he is not than with what he really is. Toledo is not a candidate with a proposal that is differentiated, one that to that extent offers an alternative to those of the two principle candidates. If he had such a proposal, it would be even less important whether or not he had an affiliation with Harvard, or the CLAE, or the ESAN [School of Business Administration]. Toledo has between five percent and eight percent of the votes in his brand-new electoral pocket and the potential for keeping them there until April. As a result he must be taken into account by all the participants involved, the government above all. Toledo was welcomed with open arms into government circles that were persuaded that the new arrival might get Javier Perez de Cuellar out of the way. But within a short time, Toledo came to be seen as a threat to Fujimori on the first round. The same circles that had thrown their doors open to the 'golden boy' slammed them in his face, without further ado." (LA REPUBLICA 22 Nov 94) [passage omitted]

Weaknesses of Counterterrorist Law Decried

95SM0059B Lima LA REPUBLICA (DOMINGO Supplement) in Spanish 9 Oct 94 pp 12-14

[Article by Maria Elena Castillo: "Waiting for Justice"]

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[FBIS Translated Text] At least 40 innocent civilians who were sentenced to long prison terms for terrorist crimes and treason have for a long time now been waiting for a reform of the judiciary and the military tribunals.

Excesses of Counterterrorist Laws

Carlos Masias Chiroque was arrested on 22 September 1992 along with other leaders of the Miguel Grau shantytown in Piura. The reason was a complaint lodged by an inhabitant of the area because of problems with the local council. The affair had nothing to do with terrorism, at least not until that moment.

At 0600 hours members of the special police removed the leaders from their homes and took them to the police station amidst shouting and pushing and shoving.

Carlos scarcely knew what was happening. He was still sleeping when the police arrived to take him away and he was still feeling the aftereffects of the drinking bout the night before in celebration of his father-in-law's birthday.

On that day no one had breakfast, the house was not cleaned, and the children were left in the care of their grandparents while Vilma, his inseparable wife, met with the relatives of the others who had been arrested to resolve the problem.

The poor woman was at her wit's end thinking how she could help her husband and she let him make the terrible mistake of assigning no importance to an incident that had occurred a few hours before, as they were returning from the party for his father-in-law.

It was probably 2300 hours and Carlos was already asleep. Vilma decided to wait a few minutes while she boiled a little water to fill the thermos when suddenly she heard someone knocking at the door. When she opened the door, she saw two fellows who asked her to hold a package for them for a few hours. When she refused, they pushed their way in entering by force and left the package in the yard.

Before leaving, they threatened her with reprisals if she told anyone what had happened, but nothing would happen to her if she cooperated.

Since her husband was sleeping, Vilma could not tell him what had happened at the time and the unexpected police operation prevented her from doing so later.

The days that followed were very anxious ones until 26 September when all of them were released. Carlos had been at his father's home for several days and, as luck would have it, this time his wife forgot to tell him about the strange package. After everything that had happened, at that moment the most important thing was to celebrate his release, leaving behind all the shadows that might becloud her.

But those happy days ended very quickly. On 2 October the shantytown leader was arrested again when he went to the Piura courthouse to settle the local problem.

At the police station they told him that they had found a package containing 3 kg of ANFO and a firearm, left there by a subversive called Jaime Palacios Preciado.

The police threatened him and beat him to force him to sign the statement of seizure and have photos taken of him with the explosive that was found, without considering the fact that the terrorist had stated that he had left the bag under threat.

Masias was tried by a military tribunal for the crime of treason and sentenced to 20 years in prison, it being noted that "his participation in the acts investigated has been established since he provided Jaime Palacios Preciado with aid in concealing explosive material."

It mattered to no one that the investigation—police as well as judicial—demonstrated his innocence since those who were tried with him had not accused him of being a member of the Shining Path, nor was there any record of an alias or pseudonym for him. Moreover, the subversive who was captured stated that "Carlos Masias Chiroque had no knowledge of the contents" or the existence of the package.

Despite the fact that the chief judge advocate indicated in his opinion that it had not been established that the accused was a PCP-SL [Peruvian Communist Party-Shining Path] militant, this man was convicted.

In March 1993 the Special Court of the Supreme Court for Military Justice turned down a nullity appeal by the defense and the latter is at present lodging a special review appeal, noting that there had been an error of justice since an "act of collaboration" is not considered to be a crime of treason, but a crime of terrorism. Therefore, the defendant petitioned for acquittal of all the charges or that his case be tried under common law.

But there has been no reply since last 8 June when the appeal was received. Meanwhile, Carlos has tired of shouting his innocence and writing letters to members of Parliament, human rights organizations, and the media asking for their help so that they do not permit an injustice to be committed in his case. But unfortunately for him, his chances of being released are getting slimmer all the time.

Not One, but Many

His is only one case and no one knows for sure how many more like him run the risk of serving an illegal sentence.

There are no government statistics. Neither the Ministry of Justice nor the Supreme Court have exact figures on the number of persons charged with subversion and much less do they know which ones are innocent.

What can be asserted is that the different human rights organizations have sponsored an average 400 cases of probably innocent persons, only 150 of whom have been released. The rest of them are still beingtried or sentenced.

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But while the former still have hopes of being acquitted, the latter continue to remain without hope. For them, their dreams are dying day in day out with each negative ruling and each conviction.

According to human rights organization reports, there are at least 40 persons in this situation. But they all agree that the figure is much higher.

They have already gone through the trial phase and the statements of the public prosecutor, the judge, and the appropriate court, who decided that there was indeed "merit in an oral judgment."

They have already suffered the terrible, interminable waiting to be given a hearing date, to end up listening to a sentence of 10, 15, 20, or 30 years in prison without the evidence presented in their defense having been taken into account or even having had the record of the proceedings read to them.

Once their sentences were handed down, they filed nullity appeals. And after the attorney general's statement, the Special Court of the Supreme Court delivered its verdict. Unfortunately, many of the verdicts were negative and special review appeals had to be filed which, in accordance with the Penal Proceedings Code, are only warranted in the event that there is new evidence.

This falls under common law. In the military, the Special Court of the Court-Martial is the court that delivers sentences. Appeals are heard by the Supreme Court of Military Justice and review appeals are lodged in addition to the new evidence because of judicial errors when the evidence was not properly evaluated.

This is the court of last resort. After this there is no longer anything, neither hope nor dreams of justice. Only terrible desolation and a bitter taste in one's mouth.

The National Human Rights Coordinating Board has presented two proposals: one for modification of the Counterterrorist Law and the other of the Repentance Law, but no one has put these ideas together. Previously, the International Jurists Commission, better known as the Goldman commission, defined these ideas more precisely but these specifications have not been considered either.

Now they are studying an "alternative and integral" plan, a more radical, total transformation of the laws, which should be ready by next month.

Included in it will be the elimination of military law as well as the replacement of faceless tribunals with tribunals specializing in terrorism.

When a sentence is handed down the prospects of being released decrease. At least there have not been many such cases; just three convicted persons have succeeded in proving their innocence and were released: Miguel Ruiz Conejo, Clavio Huerta, and Ada Nivin. The others are still hoping.

[Box, p 13]

Father Hubert Lanssier Demands Freedom: Until No One Is Left!

[Interview with Father Hubert Lanssier by LA REPUBLICA; date and place not given]

[LA REPUBLICA] A few months ago you said that the number of innocent persons charged with terrorism in our prisons comes to 1,000. Does this figure hold true?

[Lanssier] It was only an estimate; I do not know exactly how many there are. Moreover, the figures do not tell us anything. It is true that we may consider their number to be alarming, but for me their number is not important. The fact that one innocent person is being held is just as serious as if there were a hundred.

[LA REPUBLICA] But you do agree that the figure is disturbing, don't you?

[Lanssier] I think that it is very important for national pacification. We will not have it as long as innocent people are in prison. It is impossible. This snowballs because not only one person is involved, but also abandoned children, dispersed families, a ruined future.

[LA REPUBLICA] Could we say that the government is not considering this problem?

[Lanssier] I know that the president is personally concerned over these cases. When letters are sent to him asking for help, he reads them and underlines passages, pastes a sticker on them, and orders [his aides to accord them] greater attention. This is very good for me because it means that he seriously intends to resolve this situation.

[LA REPUBLICA] Then why are there still so many cases?

[Lanssier] Unfortunately, matters can not be defused just like that. The problem is that laws designed for an emergency situation continue to be in effect without anyone's realizing that times have changed and that we need other laws to return to normalcy.

[LA REPUBLICA] But the innocent people in prison are proof of the fact that the system has not been working well in many cases.

[Lanssier] This is happening because there is no determination. What happens is that we put ourselves in someone else's shoes, but things are probably different. This is why it is important that there be awareness. People now know that there are innocent people in prison—not terrorists as some people think—and that we are defending them.

[LA REPUBLICA] And how do you know that they are really innocent?

[Lanssier] Not only do we receive the testimony of those who say they are innocent. We carefully examine each case and, if the evidence indicates that the fellow has had nothing to do with [subversion], we defend him. We do not take on cases of people who are implicated in subversion.

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[LA REPUBLICA] Do you feel that human rights are being respected in this country at this time?

[Lanssier] No, at least not to the extent they should be. There are not so many killings, but that makes no difference to me. People are obsessed with figures. No one is interested if two or three die, but it is a different story if 100 die. Human beings are not objects of statistics.

[LA REPUBLICA] Do you think that by that time [when human rights are respected] there will no longer be any innocent people in prison?

[Lanssier] No. What I do think is that there will be a substantive improvement. We, at least, will not stop until everyone is released.

Correction to Election Board Rules on Voter Cards

PY2311193294

The following corrections pertain to the item headlined "Election Board Rules on Military Voter Cards," published in the 23 November Latin America DAILY REPORT, pages 63-64:

Page 63, column two, first paragraph, only sentence make read ...Manuel Catacora Gonzalez, member [miembro titular] of the National... (changing "chairman" to "member," providing vernacular)

Same page, same column, fourth paragraph, only sentence make read ...Catacora reported that a... (rewording)

Uruguay

Lacalle Lists Politics, Trade as Issues for Miami Summit

PA3011152594 Mexico City XEW Television Network in Spanish 0430 GMT 30 Nov 94

[Interview with President Luis Alberto Lacalle by Jacobo Zabludovsky via satellite from Montevideo, Uruguay; from the "24 Hours" newscast—live]

[FBIS Translated Text] [Zabludovsky] Uruguayan President Luis Alberto Lacalle is in Montevideo. Mr. President, thank you for this interview.

[Lacalle] Thank you. Your hospitality allows me to express my opinion, so it is I who must be thankful.

[Zabludovsky] Mr. President, the hemispheric summit will take place next week in Miami. Will you present a special proposal or position?

[Lacalle] As we speak, a meeting is being held in Washington to determine the agenda. You know that it is important to decide in advance what issues will be discussed at these meetings and to see that there are general as well as specific discussions on the issues.

I hope the agenda will take into account my opinion and that of the many other Latin American presidents. I would say we are interested in discussing three issues: One is political, since this is a meeting of heads of state; another is economics and trade, which these days are ever present companions to political issues; and the third is a somewhat general issue we could call hemispheric cooperation.

Those are the three big issues. Each could have subdivisions, of course, but that is how I would list the issues.

[Zabludovsky] Mr. President, the day after tomorrow we will have a new president in Mexico: Mr. Ernesto Zedillo. Have you ever had any personal contact with him?

[Lacalle] Yes, but it was before all the events that led to his presidential candidacy. I hope to speak to him in Miami to give continuity to the great relationship and friendship we have had with President Salinas.

[Zabludovsky] Prosperity is nationalism's new name. That phrase describes the countries' modern way of viewing sovereignty, I think, Mr. President.

[Lacalle] I think that is right, not just because I coined the phrase but because it explains that nationalism has ceased to be an abstract concept and has become a way of looking at our future and that of our children and the possibilities for living better and making progress with a sense of excellence, which is a fine way of living. So I repeat it: Prosperity is nationalism's new name.

[Zabludovsky] What will you do as a private citizen as of 1 March?

[Lacalle] I will continue in this profession which I embraced so long ago that I do not care to recall exactly how many years. I participated in an election for the first time in 1958. Since then I have dedicated my life to this profession. I have dedicated my life and my family's life to this profession. I have dedicated everything that I can and everything I am to public life.

On 2 March I will resume my profession with great pleasure. I will again mingle with my fellow National Party members, who have always been at my side. In society there is and there must be a place for those who do not have government posts but who have educated opinions. I would like to describe myself as a great architect of educated opinion, an architect of educated opinion. I take the great out so I don't become vain. I want to forge educated opinions on causes I believe in.

[Zabludovsky] Mr. President, do you want to add anything?

[Lacalle] Only that I will take time to visit your people and to go to Guadalajara, whose people I love deeply.

[Zabludovsky] Thank you for this interview, Mr. President

[Lacalle] Thank you.

President-Elect Sanguinetti Discusses Integration

PY2911132794 Madrid EFE in Spanish 2355 GMT 28 Nov 94

[FBIS Translated Text] Montevideo, 28 Nov (EFE)—Uruguayan President-elect Julio Maria Sanguinetti today

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stressed that his next government will have to face "the challenge" of regional integration, and that Mercosur [Common Market of the South] represents 50 percent of his country's economy.

In a news conference Sanguinetti explained that "10 years ago he personally" had also taken on the burden of democratic recovery and its consolidation at "a time that was loaded with uncertainty and passion."

He added that "10 years later" another significant period has arrived for integration, industrial reconversion, and the economy within a regional market, because "times change."

According to the president-elect, in 1985 there had to be a transition from a dictatorship to a fully democratic government, and "we were lucky enough to make the change in peace."

He acknowledged that there still are some minorities in the country that "are not very democratic," but the Uruguayans want to live in their country in peace.

Sanguinetti stressed that "the Uruguayan transition was an example and a model in the world," and expressed his hope that the reconversion to Mercosur and the adaptation of the economy would be another example, as "it is the historical circumstances that change the type of challenge."

He announced that he will seek understanding with all political parties without exception, as there has been "great political fragmentation" after the election results were made known.

"We will not have a majority in Congress, just as we did not in our previous administration, nor do we in our current administration," Sanguinetti stressed.

In his opinion the two-party system has now disappeared from the country, in that the leftist coalition Broad Front has won the mayoralty of Montevideo since 1990 and there are now three forces making up the Uruguayan political system.

Every effort will be made "to make the political system work, as democracy is also a form of administration."

"I will seek every possible path and understanding," Sanguinetti stressed, so that "governability can be implemented through dialogue and open and plural agreements with every one." "When one assumes the post of chief of state the dialogue must be expansive, because no one can be excluded," he added.

Sanguinetti highlighted the fact that from the seat of government he hopes to "reverse the difficult time that the industrial sector is experiencing, especially the exporting sector," and promised that "the exchange rate will be managed realistically."

He called for "a great debate on education, which each of us owes the country, because these topics always end up in a discussion about budget problems, but we have never answered the question of what kind of education we want."

The leader of the Colorado Party expressed his happiness that the people had not approved the plebiscite calling for 27 percent of the budget for the educational sector, because "we were always against transforming the Constitution into a rigid norm in matters that do not specifically pertain to it."

To 'Respect' Mercosur

PY2911134794 Buenos Aires TELAM in Spanish 0105 GMT 29 Nov 94

[Report by unidentified correspondent]

[FBIS Translated Text] Montevideo, 28 Nov (TELAM-SNI)—Julio Maria Sanguinetti, the new president of Uruguay, today stressed that he will respect the Mercosur [Common Market of the South] agreements, and denied that he is planning a huge monetary devaluation.

"Relations with Argentina, Brazil, and Paraguay will be of the best kind," the Colorado Party leader said. Sanguinetti highlighted the fact that "the process of integrating into Mercosur will require quick decisions of the participants, and will also presuppose constant action in an ever-changing reality."

"The country's commitments are the state's commitments, and no one can but respect and honor them," Sanguinetti said.

In a news conference, the president-elect stated that he does not plan a huge devaluation, and plans to "implement a realistic exchange policy in which the dollar will be maintained within the overall levels of prices."

"The exchange policy is neither a unitary nor excluding factor, as it is one of the items in which an economic policy is expressed," he said.

Sanguinetti Discusses Using Spain 'as a Door' to EU

BR2911113494 Madrid ABC in Spanish 27 Nov 94 p 46

[Interview with presidential candidate Julio Maria Sanguinetti by Alberto C. Marquez in Montevideo; date not given]

[FBIS Translated Text] Julio Maria Sanguinetti, a lawyer, a deputy many times since 1966, minister for trade and industry in 1971, minister for education and culture in 1972, appointed general secretary of the Colorado Party in 1983, and elected president of the country at the beginning of the transition to democracy in 1984, is without doubt one of the most important figures of Uruguayan politics in the second half of the century. Aged 57, he is now trying to get himself reelected president of the Republic. In this he has the backing of his party and he told ABC that "Uruguay will have to rise to many challenges in the coming years."

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[Marquez] You have the majority of the Colorado Party behind you. Which main features of your program do you consider to be your trump cards in 1994 elections?

[Sanguinetti] First, the Foro Batllista [Colorado Party's leading faction led by Jorge Batlle Ibanez] is the only group that has been working for more than a year in 19 committees with almost 1,000 experts to devise a program for government which was then distributed to all of the media and to the people in general. The program comprises more than 300 pages covering a range of reflections and proposals for the country, its potential, and its future. Program 2000 lays down the basic framework for an in-depth plan for our country. This has been confirmed with the agreement concluded with the People's Government Party headed by Dr. Hugo Batalla, who in general shares my views. So the trump cards are essentially the fact that we have the best team, the best program, and the fact that past results prove that we can govern.

[Marquez] You are virtually the only one of the 20 or so candidates from some 15 parties to present this recent experience as a serious campaigning point for the still-undecided electors. What importance do you attach to this fact?

[Sanguinetti] The fact of having had the honor of being president of the Uruguayan people for five years (1984-1989) has major advantages and some disadvantages for the electoral campaign. The advantages are that I am able to point to the successes of an administration that increased real wages, cut infant mortality, increased growth, increased exports, and decisively triggered regional integration, and did all of this in the difficult context of the return to democracy after almost 12 years of de facto rule. We also ensured that the transition was peaceful with the slogan "Peaceful Change," and we came through the period without any deaths and healing old wounds as far as possible. However, at the same time this is a disadvantage because all government can be criticized.

[Marquez] In your recent televised debate with the candidate from the left coalition of the "Broad Front," now called the "Progressive Encounter" you were particularly keen to warn against the philosophical and programmatic nature of the Marxism of the Broad Front.

[Sanguinetti] It is true that the Broad Front remains rooted in the past. It would appear that Marx—without the Berlin Wall, without the Iron Curtain, without psychiatric hospitals, without purges, and without the Soviet Union—has finally been granted political asylum in Uruguay. It is very amusing: When Communism dominated a vast tract of the planet, in order to discredit us the Left treated us as profound anticommunists. Now, in this post-Berlin Wall world, when we talk of Marxism they say we are antiquated and are living in the past. Marxist government, that is a thing of the past, and we do not want our future to be other countries' past. Remember, there is not and there never has been a single example in the world of a country with a Marxist government where the workers are better off than those in the "decadent" pluralist Western democracies. I remember Raymond Aron wrote, forty years ago in his famous work "The Opium of the Intellectual Class," that the mythology of the Left is its fictitious compensation for all its errors.

[Marquez] You are probably the only candidate standing in these elections who is known in intellectual circles and by the Spanish Government. How do you envisage improving, if possible, relations with Spain?

[Sanguinetti] I do have excellent relations with many people in Spain, starting with his Majesty the King Juan Carlos, Queen Sofia, and Prime Minister Felipe Gonzalez. Relations with Spain have been excellent for many years and it is likely that, whoever is the next president, they will remain at the same level. Improve them? They can always be improved. Now we have Ibero-American summits that we must build, using our mother country Spain more as a door for accessing the European Union [EU] to create flexible mechanisms of understanding between the EU and Mercosur.

[Marquez] It took Spain a long time to forget a series of episodes, as astonishing as they were regrettable, including the affair of the extradition of the two Basque Fatherland and Liberty [ETA] terrorists last August...

[Sanguinetti] Let us be quite clear about this. The episodes that you describe as regrettable—and they were—were caused by this obsolete Left I was talking about earlier and which in Uruguay is based around that so-called Broad Front coalition. In Uruguay and in Latin America there have been amnesties for guerrillas and amnesties for the Armed Forces, but it was real judicial amnesty that was granted to the ideologues who incited violence and who were not taken to task. No one else in national politics supported the contemptible act of refusing this extradition. Justice in Uruguay is a power of the independent state. As a result, if the judicial power processes a request for extradition, the executive has no choice but to respect this and take all the necessary steps. Anything else is demagogy. In a constitutional and pluralist democracy—which is what both Spain and Uruguay are—any act of terrorism must be punished. ETA is a subversive and terrorist organization. While the terrorism used against a totalitarian state can sometimes, but not always, break down prison walls, in a democratic and liberal society the only thing it threatens is freedom itself and then, at the end of the day, you are playing the game of the fascists. Therefore, I strongly condemn the only sector to have supported ETA and which was, as I said before, the Left coalition of the Broad Front and its leader and candidate for the presidency, Dr. Tabare Vazquez.

[Marquez] What are the main challenges that the next government can realistically hope to face up to, apart from the fact that very possibly none of the candidates will have a sufficient majority to form a government?

[Sanguinetti] Uruguay will have to rise to many challenges in the coming years. First, it is already clear that the next government will have no majority in Parliament and will

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have to seek agreements and coalitions ensuring the governability of the country. Then, it will have to implement a reform of the education system, reform the social security system, overhaul industry to hoist it up to competitive levels, face up to regional integration, and, most importantly, reform the Constitution to correct, as in Spain, the crude system of proportional representation, ensuring some kind of prize for the winner and an election by constituencies bringing the legislators closer to their electors.

Lacalle, Sanguinetti Meet, Discuss Transfer of Power

PY3011141794 Buenos Aires TELAM in Spanish 2022 GMT 29 Nov 94

[FBIS Translated Text] Montevideo, 29 Nov (TELAM-SNI)—Uruguayan President-elect Julio Maria Sanguinetti today met President Luis Alberto Lacalle to discuss the transfer of administrations.

Sanguinetti and Lacalle talked for 30 minutes on the seventh floor of the Libertad building, the seat of government. This is the first encounter between the future Uruguayan president and the incumbent after the 27 November elections.

After the meeting, Sanguinetti noted that "political issues or the future administration's governability were not raised" during the meeting because "these issues will be raised later."

Sanguinetti added that points involving the transfer were alone raised "so that the transfer of administrations might be carried out smoothly."

Sanguinetti emphasized: "Over the next few days we will increase the meetings between Colorado Party representatives and government experts, especially at the Economy Ministry and the Planning and Budget Office."

Lacalle and Sanguinetti yesterday held a telephone conversation in which the president congratulated the Colorado Party leader for his electoral victory, saying: "It seems that I have to return the presidential sash to you."

On 1 March 1990 Sanguinetti delivered to Lacalle the emblems of power: the presidential sash and the presidential staff. Five years later, Lacalle will return the presidential sash to Sanguinetti. This will be the second institutional presidential changeover since democracy was restored in this country in 1985.

Sanguinetti Discusses Transition, Media, Military

PY2911204294 Asuncion NOTICIAS in Spanish 29 Nov 94 pp 48, 49

["Exclusive" interview with President-elect Julio Maria Sanguinetti by Rafaela Guanes, in Asuncion "on his most recent visit to Paraguay"]

[FBIS Translated Text] [Guanes] Many believe the transition has not yet concluded in Paraguay. You are an expert on successful transitions: In your opinion, what are the priorities at this time?

[Sanguinetti] There is no magic formula that can be applied to all countries. There are cases like Chile and Nicaragua, where the old Armed Forces also had the political power, and yet today they been incorporated into the state's everyday life. It would have been inconceivable some years ago for [Chilean General Augusto] Pinochet to be subordinated to a civilian power.

[Guanes] Then, each country must seek its own formula...

[Sanguinetti] Exactly, an individual formula. First because there is no single formula, and second because it would be very arrogant to apply Uruguay's formula to Paraguay, which has its own particular reality.

[Guanes] But, some general parameters do exist...

[Sanguinetti] Undoubtably. There are certain general ideas. I wrote a book on this called "Fear and Impatience." In it I indicate that transition processes must be managed or administrated, taking into account two sentiments: The fear of those who are departing and the impatience of those who are arriving.

[Guanes] A balance between the two sentiments.

[Sanguinetti] Of course. If fear predominates then there can be a reaction like the Tejerazo [Lieutenant Colonel Antonio Tejero Molina seized the Spanish Chamber of Deputies on 23 February 1981 in an attempted coup], which was happily overcome because the King of Spain applied the power of the monarchy, but it could have gone the other way. It is time for this fear of he who is leaving to be overcome; he must not feel he is being pursued.

[Guanes] And, regarding the impatience of those who are arriving?

[Sanguinetti] At the same time we have to manage the impatience of those who arrive after years of being frustrated, after years of humiliation and exclusion, throwing them off balance and somewhat out of orbit...

[Guanes] And, the process must continue within this framework...

[Sanguinetti] Between the fear of those leaving and the impatience of those who want to exercise every single right at the same time, the process has to continue with all the implied risks.

[Guanes] When does a transition conclude?

[Sanguinetti] When the problems of the past have been left behind and when current and future problems are faced. All the time the debate on the past continues, the transition continues.

[Guanes] How do you see the situation in Paraguay?

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[Sanguinetti] I believe an important stage has been concluded, it was carried out by General (Andres) Rodriguez. We may not be able to say that the transition has concluded because the debate on many topics of the past continues: For example, the incorporation of the military. I believe society must become aware of the following: If the topics of the past are discussed as a top priority, the past continues to live. If the past is obliterated, then the country must discuss topics of the future.

[Guanes] Such as those related to social and economic problems?

[Sanguinetti] Paraguay must today discuss its economic, agricultural, and industrial development, problems that I have heard about during the past few days regarding rural electrification, housing, and health. Mercosur [Common Market of the South] lies ahead of us. It will demand sacrifices and presupposes opportunities. To undertake it will be no mean thing.

[Guanes] To give democracy substance...

[Sanguinetti] Democratic forces must join forces to face these challenges. That will mark the end of the transition, when we begin to discuss the problems of the present and the future.

[Guanes] What is your opinion on the role of the press?

[Sanguinetti] The media have an enormously important and responsible role in all this. I would say the actions of the media are as valid as the actions of the political parties themselves. Radio, television, the newspapers can define the topic and the way in which they are to be dealt with. They can give them a reflexive or a passionate tilt. The media must never hide the truth nor hide truthful information, but topics must not be taken so far that passions become heated. On the contrary, the media must provoke a desire for precision, which is important in a stage like this.

[Guanes] How do you view the government of Engineer Juan Carlos Wasmosy?

[Sanguinetti] I see a president who is technically competent, well inspired. I have lunched with him and spoken with Vice President (Angel) Seifart, whom I see as a communicative political figure with good intentions. It is a government without a majority in Congress, therefore what Congress does is fundamental. This is where the responsibility of the opposition parties plays a role. The message of the last elections was just that and today everyone has responsibility within the government.

[Guanes] You mean there must be dialogue among the government branches?

[Sanguinetti] Some must manage the administration and others must manage Congress. They must meet at some point. If this does not happen there will be disagreement and at this time action must be shared.

[Guanes] Have you spoken with members of the opposition?

[Sanguinetti] Yes, with (Domingo) Laino [acting president of the Authentic Radical Liberal Party and husband of the interviewer] and with (Guillermo) Caballero Vargas [general coordinator of the National Encounter Movement], the leaders of opposition movements. They have a good spirit. Paraguayan democracy must begin to seek the path of understanding; to be a political adversary does not mean being an enemy.

[Guanes] Then, understanding is the priority?

[Sanguinetti] Responsibility belongs to everyone. There is another ingredient in Paraguay: The many years of exclusion of some political sectors, like the Liberal Party. This cannot continue, exclusion from the government or the administration cannot continue in a generic sense. With this I do not mean it is a question of demanding ministries or anything like it, that will be resolved by the politicians. I mean no one should be excluded.

[Guanes] You place great emphasis on shared responsibility...

[Sanguinetti] Mateo de Lopez Bravo, a great Spanish liberal of Charles III times, coined the saying: "Those who are excluded become enemies." I believe we should carve this concept in stone and place it in front of all democratic institutions—civilian and military institutions and political parties. Everyone should have a place under the sun.

[Guanes] What can you tell us about the military issue?

[Sanguinetti] Military officers cannot continue to believe they have the same prerogatives they had under the dictatorial regimes, because democracy cannot accept that. Conversely, those who administer the democratic institutions must respect the military institution, which is an essential part of the state. The state does not exist without Armed Forces. We must understand that each of us has a role to play in building this democracy: This applies to civilians as well as to the military.

[Guanes] What if an officer goes overboard, steps outside of his jurisdiction?

[Sanguinetti] In this case one should not follow suit: Arrogance plus arrogance equals conflict. The law must serenely deal with those who act with arrogance. In this way the offending party will gradually understand his role.

[Guanes] So there is no sense in assuming radical positions?

[Sanguinetti] If arrogance and excess are added to other people's arrogance and excess the country will be impossible to govern. At stake is exactly the opposite, to make the country governable. I am not talking specifically about Paraguay, I am talking about our experience, which perhaps can be adapted to other circumstances.

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[Guanes] Finally, how important is the responsibility of each citizen in this process?

[Sanguinetti] Very important. If people do not help create a climate of tolerance, or the democratic habit of debating without making enemies, or to know—for instance—that the budget affects many things, it will be difficult to build or reconstruct a democratic system. Irresponsibility may get some applause in the short term but it fails in the long term.

Paraguay's Wasmosy First To Congratulate Sanguinetti

PY2911153594 Madrid EFE in Spanish 2246 GMT 28 Nov 94

[FBIS Translated Text] Montevideo, 28 Nov (EFE)—Paraguayan President Juan Carlos Wasmosy was the first foreign chief of state to personally call Uruguayan President-elect Julio Maria Sanguinetti and congratulate him on winning the 27 November general elections.

During a news conference, Sanguinetti said: "The first to call me from Japan, where he is visiting, was my friend President Wasmosy. He did so last night when the results showed we were winning."

Sanguinetti lauded Wasmosy, stating that he was very satisfied to be able to work within the Mercosur [Common Market of the South] integration process with a chief of state like the Paraguayan president, who is a friend.

Venezuela

Minister on 'Ridiculous' U.S. Arguments on Trade Measures

PA3011033794 Madrid EFE in Spanish 2324 GMT 29 Nov 94

[FBIS Translated Text] Caracas, 29 Nov (EFE)—Venezuelan Foreign Minister Miguel Angel Burelli defined as "ridiculous" many of the arguments used by the United States to justify protective trade measures against products from other countries.

Burelli has said those arguments were invented by neoprotectionists to raise the trade barriers the General Agreement on Tariffs and Trade (GATT) has eliminated.

"The products competing with U.S. products are going to face reactions from the communities that will demand protective measures from their congressmen," Burelli said.

Burelli said this protectionism responds to "ecological fundamentalism and fanaticism" that become arbitrary accusations against those countries that intend to introduce their products in the U.S. market.

Among the arguments used to justify the new protectionism, Burelli cited that of accusing the competing country of "using child labor, paying paltry wages, employing pregnant women, and violating human rights."

Burelli also has referred to "infamous accusations such as those made against us" when we were accused of killing dolphins to prevent us from exporting tuna.

Confronted with these measures, the Foreign Minister has said it is necessary to use the resources offered by the World Trade Organization that were offered by GATT, something "which is what we have done" concerning tuna and gasoline.

Foreign Minister on Colombian Guerrillas, Border Issue

PA3011022294 Caracas EL NACIONAL in Spanish 26 Nov 94 p D-1

[Interview with Foreign Minister Miguel Angel Burelli Rivas by Gustavo Azocar in San Cristobal; date not given—first two paragraphs are EL NACIONAL introduction]

[FBIS Translated Text] Foreign Minister Miguel Angel Burelli Rivas has said here our country will not fall for the provocations of Colombian guerrillas who want to internationalize their conflict by attacking Venezuelan military targets. He has said the Venezuelan Government hopes that the Colombian Government will adopt the pertinent measures to end the difficult situation that exists along the border between the two countries.

Burelli, who has installed a governors summit that was attended by the governors of Tachira, Zulia, Apure, Amazonas, Merida, and Trujillo, has said the Venezuelan Government has done what it was called upon to do regarding the serious border problem. Not only has it demanded that the Colombian Government strengthen its antiguerrilla struggle but has adopted its own measures. It has obtained five high-performance helicopters that will be used to combat subversives who attempt to cross the border. It also has sent three Army battalions to the strife-torn region.

[Azocar] Do you believe Colombia wants to resolve the border problem?

[Burelli] They have a very big and earnest desire to do so. The problem is they are facing serious difficulties, because the guerrillas control areas the Colombian state cannot recover. The interest of the guerrillas is very clear: They want to create friction with the neighboring country, because that would give them international benefits. We are not going to engage in fighting with the guerrillas, but we are going to take severe measures. We have sent three more battalions to the border and are demanding the Colombian Government do likewise.

[Azocar] Colombia is buying weapons, but it would seem it is not using them to fight the guerrillas but, rather, for other objectives.

[Burelli] They buy many weapons, because they have a war that has spread along the border in zones occupied by guerrillas. We do not have guerrillas, fortunately. I suppose they have national and international justification to

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request more funds from Congress to buy weapons to fight the guerrillas. Also, one must not forget the guerrillas have the best weapons, because they are being financed by narcotraffickers and kidnappers.

[Azocar] There are individuals suggesting the guerrilla problems and kidnappings are a result of the abandonment existing at the border.

[Burelli] Our border has peculiarities. There is hectic activity on one hand and a deserted border on the other. It is a border inhabited by abandoned Indians. We believe where there is a Venezuelan settlement at the border it must be improved so the people will not emigrate. It must be developed and be the constant image and strength of the country. We have three cases at the border: the intensity of Urena, the neglected Southern region, and Arauca in the middle. We have Indian villages in Cocuy and Elorza that must be strengthened so they can represent our line of nationality and identity. These things that occur obligate us to adopt positions. That point is why we are creating a special ministry to deal with the border issue.

[Azocar] Is the Venezuelan Government certain Colombia will do something to resolve this problem?

[Burelli] Our role in the state is to trust in the measures the Colombian Government is going to implement in its domestic struggle, because we must not forget that is Colombia's problem.

[Azocar] What will we do while the Colombian Government takes actions?

[Burelli] We have three battalions that will join the task groups at the border. The government has made a tremendous effort to buy five high-performance helicopters purchased in Canada to guarantee the active patrolling of our borders. If the guerrillas cross the borderline, they will have to face firepower from the Venezuelan Armed Forces, because there will be no contemplations of any sort.

[Azocar] Will there be an investment of resources at the Venezuelan border?

[Burelli] The state is in a serious financial situation, but because these are priority issues, such expenses will be granted preference, because they are priority investments.

Disip Dismantles Intelligence Network Linked to Navy

PA3011022494 Caracas EL NACIONAL in Spanish 29 Nov 94 p D-1

[Report by Javier Ignacio Mayorca]

[FBIS Translated Text] Disip [Directorate of Intelligence and Prevention Services] has dismantled an intelligence network operating for the Venezuelan Navy after confirming its activities included espionage against Disip officials in the eastern part of the country.

Members of this network were apprehended beginning on Sunday, 20 November, after an informant denounced Nelson O. Perez Ochoa, known simply by his nickname "Napo." Napo's shortcoming, according to Disip sources, was that he boasted he was an intelligence agent and that he wandered about businesses, bars, and educational centers, mainly in Anzoategui, trying to "recruit" new members for his camp.

According to investigators, the curious thing was that all of the members of this group paid "Napo" 3,000 bolivares to have him issue them authentic ID cards naming them honorary National Intelligence members and authorizing them to carry weapons. This allowed Napo to create a diverse group that included students, attorneys, businessmen, and policemen who were not only devoted to gathering information, even on the activities of Disip, but who also went so far as to attempt to extort money from ranchers and businessmen of the region by offering anti-kidnapping protection services.

According to Disip sources, Napo's main collaborators were Ramiro Vieito and Alfredo Gutierrez, who were arrested on 25 November. As their interrogations progressed, other group members began to fall: Ernesto Rafael Pino, Jose Romero, Ivan Villegas, Abelardo Mora, Alex Bello, Mouchati Abdalla, Carlos Benfreitas, Cesar Rodriguez, Jose Mouchati, Roger Suarez, Jose Lista, Miguel Rincones, Jose Perez, Jose Barrios, Franco Romualdi, Nakkour Assad, and Jose Antonio Villegas. All of them were transferred from the eastern part of the country to Disip Headquarters in Los Chaguaramos, where they remained until 1530 yesterday, when a Navy officer took charge of them and transported them in a small bus to the Navy Command in San Bernardino.

The evidence gathered will be forwarded to the Navy Command. This includes identification cards, nine firearms, radio communications equipment, telephone recordings, and other documents.

It is likely the Navy Inspector General's Office will file a military lawsuit against those involved. However, Disip warned its investigations have not concluded. It also reported the existence of a close link between this group and some Navy officers. A "Sheriff Vargas" and a Navy captain, former officials of the Military Intelligence Directorate under the Perez administration, have been mentioned as possible Navy connections. Disip, however, dismissed any connection between this case and the one involving the "laboratory" that operated in the Intelligence Directorate of the Joint Chief of Staff's Office.

The Four "Bases"

It is believed that this Navy intelligence network operated for more than three years. Its dismantling caused a bit of a stir within the military, which contended the group had provided valuable information on conspiracy activities that led to the military coup attempts, as well as information on the two remnants of subversive groups operating in the eastern and southern part of the country.

Last week, Disip reported four operational centers (known as "bases") were dismantled in Anaco, Cantaira, El Tigre,

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and Ciudad Bolivar. The main office was located next to the home of "Napo" in Anaco.

Over the weekend and on Monday, this case reportedly prompted an extensive flow of information between the Navy Command, Disip, and the Defense Ministry. Defense Minister Rafael Angel Montero Revette reportedly was periodically updated on the situation.

New Parapolice

Meanwhile in Los Chaguaramos, rumor has it that a new parapolice organization has been working in a state in the central-west region. This group is reportedly led by former top Disip officials known as Sheriffs "Rigoberto" and "Matos," who have been engaged in compiling information using the latest microphone and telephone technology in the constant service of a political leader. Sources report the case is on the verge of being solved.

General: Alleged Navy Intelligence Network Investigated

PA3011033094 Caracas Union Radio Network in Spanish 2200 GMT 29 Nov 94

[From the "Union Radio News" newscast]

[FBIS Translated Text] Defense Minister Rafael Montero Revette has said investigations will continue into an alleged Navy intelligence network which spied on Disip [Directorate of Intelligence and Prevention Services] in eastern Venezuela. Speaking tersely, Defense Minister Montero Revette said all that he can report is that the DIM [Military Intelligence Directorate], Disip, and Navy are investigating everything concerning the alleged espionage network. General Montero Revette stated this before Congress after being questioned on border security by the Foreign Policy Commission.

[Begin Montero recording] There are no guerrillas in Venezuela. Guerrillas exist in Colombia. If we have occasion to confront them, we will show Venezuela's strength against the guerrillas. We destroyed the guerrillas here in Venezuela. If the Colombian guerrillas enter and (?we encounter them), we will have a confrontation. [end recording]

For his part, Deputy German Monzon, chairman of the commission, reiterated that it is essential for Colombia to guarantee respect for Venezuela.

[Begin Monzon recording] It is from Colombia that they are coming to kidnap farmers, extort, and steal cars. [end recording]

Monzon said the Colombian Congress should show respect for Venezuela by approving the agreements on the repatriation of prisoners and on the detection, recovery, and return of stolen vehicles and aircraft.

Groups Involved in 1992 Coup Attempts To Merge in 1995

PA3011011094 Caracas EL NACIONAL in Spanish 28 Nov 94 p D-4

[Report by Luis Guillermo Acosta]

[FBIS Translated Text] Maracay—The leaders of the MBR-200 [200 Revolutionary Bolivarian Movement], an organization involved in the 4 February 1992 coup attempt, and the 5 July Movement [Movimiento 5 de Julio], which played a major role in the 27 November 1992 coup attempt, announced their merger planned for 1995.

This was announced by the main participants of the MBR-200 and the 5 July Movement, Lieutenant Colonel Hugo Chavez Frias, Rear Admirals Hernan Gruber Odreman and Luis Cabrera Aguirre, Air Force Brigadier General Francisco Visconti Osorio, and Colonel Jorge Garrido Martinez. They explained they will jointly establish the Bolivarian National Front [Frente Nacional Bolivariano], which will also include civilian organizations that want a change in national policy, on 19 April 1995.

The announcement was made in this city during the commemoration of the 27 November events. A mass was held at the cathedral, and floral wreaths were placed at the statue of liberator Simon Bolivar at Bolivar Square. These events were attended by dissidents of the AD [Democratic Action], Copei [Social Christian Party], and MAS [Movement Toward Socialism] parties.

The leaders of the two movements clearly stated they are not seeking power but, rather, the establishment of a constituent assembly to draw up a new Constitution that will guarantee true democracy for the Venezuelan people.

They also said they do not know what might happen next year in view of the repression the Venezuelan people are suffering with taxes and hyperinflation while salaries and wages remain frozen.

Nevertheless, they said one will have to wait to see how things develop, because the future cannot be predicted.

They charged President Caldera's administration is following the same guidelines as previous administrations.

The AMX-30 Tanks

The nation has been greatly harmed from the financial standpoint and the Army from the standpoint of defense of the country's territory as a result of the case of the 100 AMX-30 tanks, which are nothing but the backbone of the ground forces, Commander Hugo Chavez Frias has said.

Their center of gravity was changed, and they cannot rotate on their own axis. In addition, 10 more tons of weight were added to them, restricting their movement in the plains in the case of a hypothetical military confrontation, Chavez has said.

Gruber Odreman has said it is strange that the generals who were aware of the problem did not make it known when they were in active service and are doing so now when they are retired, leading one to presume they were acting in favor of private economic interests rather than in the interest of the Army or national defense.

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Deputies Finance Committee Approves 1995 Budget

PA2911225594 Caracas REPORTE DE LA ECONOMIA in Spanish 28 Nov 94 p 2

[Report by Aida Faria]

[FBIS Translated Text] The Deputies Finance Committee has approved the 1995 budget with a 13 billion bolivares cutback of the executive branch's original budget request.

Committee President Gustavo Tarre Briceno made this fact known yesterday at Congress.

Tarre took the opportunity to rectify an inaccurate report published yesterday by all local newspapers regarding the Senate Finance Committee's detection of a 130 billion bolivares overestimate in the 1995 Budget.

Tarre explained there was confusion over the authorization for a loan that appears in Article No. 5 of the Umbrella Law, which includes an authorization for expenses that are never to exceed the executive branch's income estimate. As a result, such a mistake would not be possible.

He said what does exist is an authorization to emit 135 billion bolivares in treasury bonds, but he made it clear that this is not a budgetary authorization and that it is not featured in the Fiscal Budget Law. The government would have to send an additional credit if it were to use these public bonds.

"The error was caused by adding the authorization for indebtedness to the expense authorizations, which gave a total of 2.9 trillion bolivares, when the real special income authorized by the Chamber of Deputies was 601 billion bolivares; that is, 13 billion bolivares less than the amount requested by the executive branch. There was a surplus instead of a deficit."

The budget will be sent to a special Senate session this afternoon. Its complete approval is expected on 30 December.

Asked of his opinion on the 1995 budget, Tarre said the government is optimistic about the estimated income and the authorization of expenses.

He admitted he has doubts that privatization will generate 250 billion bolivares and that internal tax-gathering will increase when a drop in imports is being announced.

Tarre said not included in the budget are many expenses such as the labor demands of the private sector, which will cause problems next year (70 percent inflation), and the under estimation of the debt service charge.

"We had to choose between the lesser of two evils: Either we rejected the government's estimate, resulting in the reduction of the budget, or we authorized it despite our doubts," Tarre said.

Border Commission To Promote Development, Fight Kidnapping

PA3011023894 Caracas EL NACIONAL in Spanish 29 Nov 94 p D-8

[Report by Ascension Reyes R.]

[FBIS Translated Text] At noon today, Chamber of Deputies President Carmelo Lauria will install a special commission comprising officials from both the executive and legislative branches to initiate joint actions to resolve border problems.

Deputy Walter Marquez, member the Movement Toward Socialism (MAS) and chairman of the Interior Policy Commission, disclosed this information. Marquez said the congressional Foreign Policy and Defense Commissions will participate in the new commission, along with the commission he chairs. Representing the executive branch will be Defense Minister General Rafael Montero Revette, Interior Minister Ramon Escovar Salom, and Foreign Minister Miguel Angel Burelli Rivas.

Marquez said the panel will promote the drafting of the following three bills: the Basic Law on Borders, the Border Development Program, and the Anti-Kidnapping Law.

The Basic Law on Borders is designed to define overall strategies to increase the Venezuelan state's presence in border areas.

As for the Border Development Program, its text is already being drafted by the 2d Infantry Division from Tachira State. The bill includes programs for the country's southwestern border, especially for Paez Municipality between the states of Apure and Tachira.

Commenting on these efforts, Marquez stressed the need to include in the constitutional reforms the creation of two new states: Alto Apure, to counter the development of the Colombian Arauca region; and Gran Sabana or Alto Caroni, facing the Brazilian state of Roraima.

The Anti-Kidnapping Law is being drafted by the Tachira State Cattlemen's Association, the Interior Policy Commission, and the 1st Regional Command of the National Guard. A comparative study has been made with laws of other countries in this matter, especially the laws of Colombia. The congressman said Colombia's anti-kidnapping laws include prison terms of up to 60 years. This is why, according to some experts, this crime has decreased in that nation but has increased in Venezuela, because guerrilla organizations have moved into our territory.

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Roundup of Economic Developments

PA2911232794

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Venezuela monitored through 29 November.

In an effort to boost trade between Venezuela and the eastern Caribbean, the Venezuelan Navy on 27 October opened a trade route to Antigua and Barbuda, St. Lucia, and Grenada. The Navy also plans to extend this route to other Caribbean islands. Currently, trade between Venezuela and the Caribbean represents 2 percent of the region's total commerce, and, through this new route, Venezuela hopes to raise this figure to 20 percent. (Caracas ECONOMIA HOY in Spanish 22 Nov 94 p 30)

The Exchange Administration Board yesterday announced that bonds covering imports of less than $500,000 will be deregulated. The move is designed to prevent businessmen from making unnecessary payments. Board Chairman Luis Matos Azocar also announced that the process of supplying dollars is going smoothly, especially in terms of Christmas purchases. (Caracas EL UNIVERSAL in Spanish 22 Nov 94 Section 1 p 14)

According to a 23 November, Caracas-datelined report, Venezuelan Petroleum (PDVSA) President Luis Guisti has announced that private capital will be introduced in investments in high risk areas. The participation of private capital will not entail joint ventures and will be regulated by the Oil Nationalization Law. (Mexico City NOTIMEX in Spanish 2023 GMT 23 Nov 94)

The Venezuelan Petroleum Corporation, CORPOVEN, has announced that estimated crude production in the Barinas and Apure Oil Basin has risen by 30,000 barrels over 1993 levels, increasing from 98,000 barrels to 128,000 barrels a day. (Caracas EL NACIONAL in Spanish 23 Nov 94 p E-11)

According to a 24 November, Caracas-datelined report, PDVSA owns 16 refineries worldwide, through which it hopes to consolidate its expansion into other markets. To date, $1.6 billion pesos have been invested in purchasing these overseas refineries, which have the capacity to refine more than 2 million barrels of oil a day. PDVSA's major investments abroad include 100 percent shares in the Citgo and "UNO-VEN" refineries in the United States and 50 percent shares in the European Ruhr Oel and Nynas refineries. (Mexico City NOTIMEX in Spanish 0946 GMT 24 Nov 94)

In a document submitted to the Finance Committee of the Chamber of Deputies, the Finance Ministry has reported that the 1995 public debt will total 257.353 billion bolivares. The document also states that the government plans to refinance the "unrestructured [no restructurada]" public debt, as well as the internal debt, in an effort to cover the deficit. (Caracas EL NACIONAL in Spanish 24 Nov 94 p E-2)

Comptroller General Eduardo Roche Lander has announced that estimates place the value of gold deposits in the Guyana region at approximately 24.410 trillion bolivares. If adequately exploited, these resources could yield 800 billion bolivares annually, which is about 25 percent of what the country currently earns from oil revenues. (Caracas Union Radio Network in Spanish 2200 GMT 25 Nov 94)

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